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IN THE

Supreme Court of the United States

TIP SYSTEMS, LLC and
TIP SYSTEMS HOLDING COMPANY, INC.,

Petitioners,

v.

INDEPENDENT TECHNOLOGIES, INC.,
TZ HOLDINGS, INC., T-NETIX
TELECOMMUNICATIONS SERVICES, INC.,
T-NETIX, INC., EVERCOM HOLDINGS, INC.,
EVERCOM SYSTEMS, INC., and EVERCOM, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

PETITION FOR A WRIT OF CERTIORARI

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QUESTION PRESENTED FOR REVIEW

Whether the United States Court of Appeals for the Federal Circuit has erred in holding that a single element of an accused device does not infringe a patent under the doctrine of equivalence when it performs the function of two claimed elements of the patent.

PARTIES TO THIS PROCEEDING AND RULE 29.6 STATEMENT

The parties listed in the caption are the only ones who have an interest in this petition.

Neither Petitioner, TIP Systems, LLC nor TIP Systems Holding Company, Inc., has a parent corporation and no publicly held companies own 10 percent or more of either company's stock.

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STATUTES

35 U.S.C. § 271 2

TIP Systems, LLC and TIP Systems Holding Company, Inc. (collectively, "TIP Systems") hereby petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Federal Circuit entered on June 18, 2008.

OPINIONS BELOW

The opinion of the Court of Appeals is reported at 529 F.3d 1364 and is set forth in the Appendix ("App.") at 1a-34a. The opinions and final judgments of the United States District Court for the Southern District of Texas are unreported and are set forth at App. 35a-93a.

STATEMENT OF JURISDICTION

This case was originally filed in the United States District Court for the Southern District of Texas under 35 U.S.C. § 100, et seq. The District Court had subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338. On February 28, 2007, the District Court entered final judgment against TIP Systems.

TIP Systems timely filed a Notice of Appeal on March 21, 2007. The United States Court of Appeals for the Federal Circuit had jurisdiction over the appeal pursuant to 28 U.S.C. § 1295(a). The matter was appealed as of right from a final order of judgment pursuant to 28 U.S.C. § 1291(a)(1).

The judgment of the Court of Appeals was entered on June 18, 2008. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

This case concerns patent infringement via the doctrine of equivalents under 35 U.S.C. § 271.

STATEMENT OF THE CASE

This case raises the question of whether, in affirming the District Court's grant of summary judgment, the Court of Appeals has effectively and improperly reduced the scope of the patent infringement analysis under the doctrine of equivalents in its holding that one structural element of an accused device cannot perform the functions of two claimed elements in a patent. If so, the Court of Appeals' decision conflicts with relevant decisions of this Court, and gives infringers the opportunity to make insubstantial changes to patented technologies with no repercussion.

TIP Systems filed this patent infringement action under 35 U.S.C. § 100, et seq., on September 24, 2004, in the United States District Court for the Southern District of Texas. TIP Systems alleged infringement of its patents, U.S. Patents No. 6,009,169 ("'169 patent") (Supplemental Appendix ("Supp. App.") at 1sa-8sa) and No. 6,512,828 ("'828 patent")(Supp. App. 9sa-16sa) (collectively, "the patents-in-suit"), which disclose an inmate telephone. The '828 patent was a continuation of application No. 09/459,314, now abandoned, which was a continuation-in-part of application No. 09/017,982, which issued as the '169 patent. During the prosecution of the '828 patent, the United States Patent Office found that the '828 patent was obvious in light of the '169 patent, and required TIP Systems to file a "terminal

disclaimer" on the '828 patent such that it would expire on the same date as the '169 patent.

At issue is an inmate telephone manufactured by Phillips & Brooks/Gladwin, Inc.("PBG")[1] and Independent Technologies, Inc. ("Wintel"), Model No. 7090CF, which is alleged to be an infringing copy of the patents-in-suit. With respect to the 7090CF cord free phone, PBG and Wintel made only non-material alterations to TIP Systems' invention; they broke open the mounted handset disclosed in the '169 patent and mounted its contents, the earpiece and mouthpiece and connecting wires, in exactly the same location they would have been had a handset been mounted behind the front housing wall, vertically and at a fixed distance apart.

Wintel's phone also substituted one form of basic telephone circuitry for another. Instead of a connection at the actuating switch between the circuit board and the phone line, the 7090CF has a connection at the circuit board between the phone line and the actuating switch. In both instances, electricity passes among the actuating switch, phone line and circuit board.

After a claims construction hearing and Order, motions for summary judgment were filed by defendant/respondent Wintel and by defendants-respondents TZ Holdings, Inc., T-Netix Telecommunications Services, Inc., T-Nexix, Inc., Evercom Holdings, Inc., Evercom Systems, Inc. and Evercom, Inc. (collectively,

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1 On January 10, 2006, a default judgment was entered against PBG and related entities by the trial court.

"Evercom"). On February 28, 2007, the District Court granted Wintel's Motion (App. 35a-63a), granted Evercom's Motion in part (App. 64a-93a), and entered Orders of Final Judgment with respect to the below action. TIP Systems appealed. The United States Court of Appeals for the Federal Circuit affirmed the District Court's decision, on June 18, 2008. App. 1a-34a.

TIP Systems petitions for a writ of certiorari, because the decisions of the Court of Appeals and the District Court have mis-interpreted the "all elements rule" such that a single structure cannot perform two functions. In essence, the Court of Appeals held that the phone housing could not perform the spacing and mounting function of the disclosed handle and also function as a housing for the phone's contents.

Similarly, the Court of Appeals held that electrically connecting the phone line and the actuating switch through the circuit board within the phone was not equivalent to electrically connecting the phone line and the circuit board through the actuating switch. Genuine issues of material fact are present, and a jury should be given the opportunity to determine infringement under the doctrine of equivalents, as follows:

Infringement of the '169 Patent by the 7090CF

The '169 patent is infringed under the doctrine of equivalents because the mounting and spacing functions of the handle in the '169 patent are equivalently performed in the 7090CF by the housing itself, which was substituted for the handle. There is no missing claim element.

Infringement of the '828 Patent by the 7090CF

The '828 patent is infringed under the doctrine of equivalents, because the circuit board in the accused device has been substituted for the actuating switch in the patent in the performance of the single function of allowing electricity to flow among the actuating switch, phone line and the circuit board. There is no missing claim element, because the circuit board, rather than the actuating switch, equivalently performs the function of electrically uniting the actuating switch, the phone line and the circuit board.

FACTS GIVING RISE TO THE CASE

I. The Field of the Patents-In-Suit

The inmate phone industry is comprised primarily of companies which provide local and long distance phone services associated with pay and collect charge-a-call phones to correctional facilities. TIP Systems has patented a cord free phone which addresses safety and maintenance issues faced primarily by correctional institutions.

II. The Patents-in-Suit

The invention described in the '169 and '828 patents, respectively titled "Inmate Phone" and "Wall Mounted Telephone," is a cord-free telephone for use in correctional facilities where safety and/or privacy of phone users have become issues, and where lowered maintenance costs associated with telephone repair are desired.

The cord free phone provides safety in its absence of a telephone cord, thereby preventing, among other things, an inmate from hanging him or herself with the cord or using the phone as a weapon, both serious issues facing correctional facilities throughout the country. The phone preserves privacy by acting as a conventional telephone, whereby the user's conversations remain confidential in that the other party to the call cannot be heard. Because the user places his or her head directly to the unit, only that person can hear the party on the other end, thus preserving privacy and the attorney client privilege if the call is to a lawyer.

The invention also lowers maintenance costs by preventing damage to the phone and its components, thus eliminating costs associated with replacing and/or repairing handsets and cords.

Essentially, the invention described in the patents-in-suit improves upon conventional inmate pay-per-call telephones by allowing for the privacy and functionality of said phones while eliminating and/or re-configuring conventional inmate telephone components abused by certain inmate-users. In TIP System's invention, conventional telephone cords are no longer necessary to access and utilize telephone services, as the inmate-user of the unit must place his or her head adjacent to the phone in order to conduct phone conversations.

III. Infringements and Inducements Giving Rise to Suit

TIP Systems manufactured an embodiment of the patents-in-suit and marketed the invention to several Southwestern Bell Telephone Company entities (collectively, "SBC"), former defendants in the below action. In February, 1999, having learned of TIP Systems' patent-pending invention, and of correctional facility requests for cord free phones due to issues with jail hangings, SBC representatives visited TIP Systems in Pasadena, Texas to discuss a five-year exclusive deal for the cord free product, and left with at least one phone.

Within a few days of that meeting, TIP Systems entered into a "Non-Disclosure Agreement" and a "Field Trial Agreement" with SBC, concerning the cord free phone. Under the Field Trial Agreement, SBC was given a number of patent-pending inmate phones for use in field testing.

However, at about the same time SBC was field testing the TIP Systems phones, its representatives met in San Antonio, Texas, with representatives of defendant-respondent PBG, a telephone manufacturer, to discuss the development, design and manufacture of an infringing cord free phone. SBC shipped a specimen TIP Systems phone, obtained during the confidential field trial stage of negotiations, to PBG, which company then created the 7090CF phone, making only non-material alterations to the patented technology, which included disassembling the mounted handset and mounting the functional components of that handset,

the earpiece and mouthpiece, in exactly the same location they would have been had a handset been mounted to the housing wall.

PBG manufactured and sold the 7090CF phone to SBC entities, as well as to numerous other customers for use throughout the United States. In 2001, Wintel began manufacturing the infringing product for PBG and then later did so under the Wintel name. Wintel manufactured and sold the infringing units, including to respondent Evercom, for use throughout the United States.

PROCEEDINGS IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS

The trial court held, *inter alia*, that the 7090CF phone did not have a handset equivalent under the doctrine of equivalents, and entered summary judgment on behalf of respondents Wintel and Evercom, holding that there could be no genuine issue of infringement under the doctrine of equivalents for a jury to decide. App. at 35a-93a.

In its opinion, the trial court erred in its analysis of the equivalency of the handset in the accused devices, inappropriately adhering to an unprecedentially strict structural analysis, ignoring the function of the invention itself and the handset element in the context of the invention.

Specifically, the trial court found that the "all elements rule" prevents a finding of equivalence because

a claim element, the handle, is missing from the accused devices, despite the fact that the phone housing in the accused device performed all functions of the handle (spacing and mounting) in the same way to achieve the same result. App. at 58a; 86a. The trial court incorrectly chose not to rely upon this Court's opinion in *Dolly, Inc. v. Spalding & Evenflo Cos., Inc.*,[2] involving claims relating to a portable child's seat. In that case, the Federal Circuit held that infringement under the doctrine of equivalents is possible when "more than a single element in the accused device performed the function of a single element limitation in the claimed invention."[3] The trial court ignored the reasoning in *Dolly* altogether.

Moreover, the trial court misinterpreted a case in which the issue was whether a vacuum invention which featured a removable cover with a single restriction ring attached to the cover was equivalent to a vacuum with a two-piece restriction ring.[4] The trial court in the instant case recognized the *Toro* finding, but chose to distinguish that case on a basis which is unprecedented, finding that the *Toro* case was decided using functional elements, as opposed to structural elements, and inappropriately finding that the function of the handset element was of no consequence in a determination of infringement. App. at 57a; 85a.

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2. 16 F.3d at 394 (Fed. Cir. 1994).

3. *Id.* at 398.

4. *Toro Co., Inc. v. White Consolidated Indus., Inc.*, 266 F.3d 1367, 1369 (Fed. Cir. 2001).

Next, the trial court improperly held that because the '828 patent specifies that the actuating switch is connected between the phone line and the circuit board, there was no genuine issue of material fact as to infringement under the doctrine of equivalents, as to whether the electrical connections in the accused device, where the circuit board is connected between the phone line and the actuating switch, and where the identical function of electrically connecting the phone line, actuating switch and circuit board is performed. App. at 62a; 90a.

Despite the Federal Circuit's decision in *Gaus v. Conair Corporation*[5], in which it was noted that a single device could perform the function of two claim elements, and that infringement under the doctrine of equivalents could be found in such a situation[6], the trial court found that the "all elements rule" cannot allow the circuit board to be substituted for the actuating switch as the location where a connection is made between the actuating switch, the phone line and the circuit board, even though the phone's electrical functions are identical in either arrangement, and the connection between the actuating switch and phone line is present. The trial court wrongly found that element to have been vitiated. App. at 62a; 90a.

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5. 363 F.3d 1284 (Fed. Cir. 2004).

6. *Id.* at 1291 ("equivalency can . . . exist when separate claim limitations are combined into a single component of the accused device")(quoting *Dolly*, 16 F.3d at 399).

PROCEEDINGS BEFORE THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

The Court of Appeals fully affirmed the District Court's decision, ignoring its own precedent and the precedent of this Court regarding the doctrine of equivalents.

Specifically, as to the '169 patent, the Court of Appeals found that the all elements rule prohibits the phone housing from also acting as a handle, despite the identical function of the housing to that of the handle in the context of the patent, and despite its holding in *Dolly* that there need not be a one-to-one correspondence between elements of the invention and the accused device. App. at 27a. Further, the Court of Appeals found that the housing in the accused device could not be the functional equivalent of the housing and handle, despite its holding in *Toro* that a two-piece element of a device could be equivalent to a one piece element. App. at 28a.

As to the '828 patent, the Court of Appeals upheld the trial court's decision that wiring the actuating switch to the phone line and the circuit board is substantially different from wiring the circuit board to the phone line and the actuating switch. App. at 31a. However, like the trial court, the Court of Appeals did not find any functional distinctions between the two arrangements, which allow the phone to work and electricity to pass among the elements. Moreover, the Court of Appeals held that an electrical connection was missing, despite the fact that all elements of the claimed invention and the accused device are connected together electrically

in both arrangements. *Id.* The Court of Appeals' decision also is at odds with its own precedent, specifically *Gaus*, in which it was suggested that one electrical operating system in an accused device could infringe a claim element featuring two probe networks.

REASONS FOR GRANTING THE PETITION

I. A Jury Should be Permitted to Decide the Issue of Equivalence

The Court of Appeals has misused the "all elements rule" to severely limit the scope of the doctrine of equivalents, such that the doctrine has become no more than a recital of literal infringement. The Court of Appeals has held that when a single structure of an accused device performs the functions of two structural elements of a patent, there is no infringement under the doctrine of equivalents. This petition for writ of certiorari should be granted to ensure that the doctrine of equivalents survives this improper narrowing of the infringement analysis.

Under the doctrine of equivalents, "a product or process that does not literally infringe upon the express terms of a patent claim may nonetheless be found to infringe if there is 'equivalence' between the elements of the accused product or process and the claimed elements of the patented invention."[7] "Infringement may be found under the doctrine of equivalents if every limitation of the asserted claim, or its 'equivalent,' is

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7. *Warner-Jenkinson Co. v. Hilton-Davis Chem. Co.*, 520 U.S. 17, 137 L. Ed. 2d 146, 117 S. Ct. 1040 (1997).

found in the accused subject matter, where an 'equivalent' differs from the claimed limitation only insubstantially."[8] As explained by this Court, the "all elements" rule informs the application of the doctrine of equivalence:

> Each element contained in a patent claim is deemed material to defining the scope of the patented invention, and thus the doctrine of equivalents must be applied to individual elements of the claim, not the to the invention as a whole . . . to ensure that the application of the doctrine, even as to an individual element, is not allowed such broad play as to effectively eliminate that element in its entirety.

Warner-Jenkinson, 520 U.S. at 29. In the instant matter, neither the "handset" nor the "electrically connected" elements are eliminated. Rather, these elements are substituted by structures in the accused devices which perform two functions. In short, there is sufficient evidence of infringement under the doctrine of equivalents that a jury should have been permitted to decide[9].

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8. *Ethicon Endo-Surgery, Inc. v. U.S. Surgical Corp.*, 149 F.3d 1315 (Fed. Cir. 1998).

9. Infringement, whether literal or under the doctrine of equivalence, is a question of fact. *See Coupe v. Royer*, 155 U.S. 565, 15 S. Ct. 199, 39 L. Ed. 263 (1895); *SRI Int'l v. Matsushita Elec. Corp.*, 775 F.2d 1107, 1125 (Fed. Cir. 1985) (en banc).

A. "Handset" Equivalency

The claim limitation "handset" was construed to mean "a handle with an earpiece at one end and a mouthpiece at an opposite end." The Court of Appeals held that there is no structure in the accused device that serves as equivalent to the handle. However, the structure of the phone housing in the accused device performs two functions, (1) housing the phone components and (2) vertically mounting the earpiece and mouthpiece at a fixed distance apart.

The '169 patent and the accused devices have the same purpose: the hands-free phones allow persons to communicate with one another privately, in a safer manner than with corded phones, and with reduced maintenance costs to the phone providers. Because the handle is not meant to be accessed by the human hand, the handle functions only to space the earpiece and mouthpiece at a fixed distance apart, to contain the electrical wiring, and to mount those pieces to the phone housing.

In the accused devices, the earpiece and mouthpiece are also vertically mounted within the phone housing, which also contains the electrical wiring. The earpiece and mouthpiece are also mounted at a fixed distance, the distance set by the housing itself, at an identical distance to that set by the handle, such that they are the only accessible pieces. Thus, the housing of the accused device still operates as a housing, but also operates as a handle; it has the same mounting function, performed in the same way of attaching the earpiece and mouthpiece to the housing at a fixed distance, to

achieve the same result of the hands free access to the earpiece and mouthpiece.

The Court of Appeals acknowledged that in *Dolly*, it held that infringement under the doctrine of equivalents could be found when "more than a single element in the accused device perform[s] the function of a single element limitation in the claimed invention."[10] App. at 27a. However, the Court stated that in the instant matter it could not "find that the housing in the accused device functions as an equivalent of the 'handle' in the patented invention without rendering the 'housing' limitation meaningless." *Id.* This is not true. As stated above, the housing in the accused device ably performs two functions, (1) containing the phone components and (2) vertically mounting the earpiece and mouthpiece at a fixed distance apart. The housing is still present, and still performs the functions of a housing (containing the phone components) disclosed in the patent. *In addition*, it provides the structure and performs the functions of the handle disclosed in the patent. The substitution of the housing for the handle does not render the term 'housing' meaningless, it merely delegates new responsibility for the already disclosed structure.

The difference between a handle and a housing performing the identical mounting and spacing functions is insubstantial, because the earpiece and mouthpiece are still identically accessible. The Court of Appeals cited to *Tronzo v. Biomet, Inc.*, 156 F.3d 1154 (Fed. Cir. 1998), to support its position that claim terms cannot be

10. 16 F.3d at 398 (Fed. Cir. 1994).

rendered meaningless (App. at 27a), however, that case is factually distinguishable. There, the patent holders had argued that the substitution of a hemispherically shaped, or *any* shaped cup, for a conically shaped cup in a hip socket invention would function in the same way, despite clear indications in the written description that shapes other than the conically shaped cup were inferior. *Tronzo, supra*, 156 F.3d at 1160. As such, the Court of Appeals found that the conical limitation was effectively vitiated, and reversed a finding of infringement under the doctrine of equivalents. *Id.* (citing *Warner-Jenkinson*, 520 U.S. at 39, n. 8).

Here, however, there is no indication in the written description of the '169 patent that the function of the handle could not adequately be performed by a similar structure, such as the housing. As the Court of Appeals has formerly observed, "any analysis of infringement under the doctrine of equivalents *necessarily* deals with subject matter that is 'beyond,' 'ignored' by, and not included in the literal scope of the claim." *Ethicon*, 149 F.3d at 1317 (emphasis in original). Thus, the single element can perform two functions under the doctrine of equivalents despite the fact that the dual role of the housing is not literally disclosed. In fact, the Patent Office required TIP Systems to file a terminal disclaimer for its '828 patent based on this very phone arrangement, which would be obvious to one skilled in the art based on the disclosures of the '169 patent.

The Court of Appeals also declined to follow its own precedent in *Toro*, relating to vacuum blower invention which featured a single element allegedly infringed by

an accused device's two-piece element.[11] App. at 28a. Specifically, the invention's removable cover with a single restriction ring attached to the cover was compared with the accused device's two-piece restriction ring[12] In that case, the Court of Appeals reversed a finding of summary judgment in favor of the alleged infringer, and remanded the action to allow a jury to decide the issue of "whether [the accused infringer's] two-piece ring and cover is insubstantially different from the unitary ring and cover [of the patent at issue]."[13]

In the instant matter, the almost identical inquiry to the jury would be the issue of whether the '169 patent's two-piece housing/handle mounting function is insubstantially different from the unitary housing mounting function of the accused phone, where the housing performs the functions of both housing and handle. The Court of Appeals improperly found that the *Toro* case was distinguishable because here "the dispute is not about what function is performed by the claim limitation, but rather about whether the accused device contains a functional equivalent to the claim limitation." App. at 28a.

Importantly, however all structural elements are present in this case: the earpiece and mouthpiece of the accused devices are vertically mounted a fixed distance apart to a phone housing, which arrangement is equivalent to vertically mounting the earpiece and

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11. 266 F.3d at 1367 (Fed. Cir. 2001).

12. *Id.*

13. *Id.* at 1370.

mouthpiece wherein the housing performs the spacing and mounting functions performed by the handset in the patent, and also performs the containment functions of the housing.

As the vertically mounted handset of '169 invention and the vertically mounted earpiece and mouthpiece of the accused devices also achieve the same result, the hands free operation of a telephone, the requirements of the doctrine of equivalents create a genuine issue of material fact to put before a jury.

B. "Electrically Connected" Equivalency

The trial court construed the electrical connections of the '828 patent such that "said dial tone actuating switch [is] electrically connected to both the said phone line and said electronic circuit board." App. at 31a. In the accused device, the circuit board is connected to both the phone line and the actuating switch. In this minor reconfiguration, the circuit board takes on an additional function: the electrical connection to the phone line.

The Court of Appeals, however, held that TIP Systems "failed to point to an equivalent in the claimed device that satisfied that claim limitation [because] . . . [t]he claim specifically requires an electrical connection between the actuating switch and the phone line." App. at 31a. That ruling not only fails to consider the circuit board's ability to perform two functions, it fails to consider the context of the patent in any practical sense.

Both the '828 patent and the accused device function as a telephone. The circuit board acts as a conductor to allow electricity to pass among the phone line and the actuating switch. In order to have a functioning telephone, a phone line, an electronic circuit board and a dial tone actuating switch *must* be electrically connected, but the order in which they are connected is immaterial. No evidence has been put forth that the patent discloses anything but basic electrical circuitry. In other words, the circuit board in the accused device is capable of performing the function of the electrical connection between the actuating switch and the phone line, because electricity flows among all of these elements. The elements remain connected; if they were not connected, the phone would not work.

In *Hilton Davis Chemical Co. v. Warner-Jenkinson Co., Inc.*, 114 F.3d 1161 (Fed. Cir. 1997), after remand from this Court, the Court of Appeals held that a claim relating to a chemical purification process reciting a pH range "from approximately 6.0 to 9.0" was properly found equivalent by a jury to an accused product using a pH of 5.0. Despite "nothing in the written description part of the specification to indicate that the invention extends beyond the specific range given in the claim," the fact that "one of ordinary skill in the art" would know that a pH of 5.0 would function in substantially the same way to achieve substantially the same result, led to a proper finding of equivalence. *Id.* at 1164.

In the instant case, expert evidence showed that one of ordinary skill in the art would know that connecting the phone line and actuating switch to a circuit board was equivalent to connecting the actuating switch to the phone line and the circuit board, as long as electricity was passed

among the elements. The basic circuitry disclosed in the patent calls only for a functioning telephone with requisite phone line, actuating switch and circuit board connections, all of which are present in the accused device. The Court of Appeals improperly ignored the knowledge of one of ordinary skill in its ruling. App. 30a-34a.

Moreover, the Court of Appeals chose to focus only on its finding of non-infringement in *Gaus*,[14] and ignored its own acknowledgment that "equivalency can . . . exist when separate claim limitations are combined into a single component of the accused device." *Id.* at 1291 (quoting *Dolly*, 16 F.3d at 399). Specifically, the patent in that case described circuitry that included "a pair of spaced-apart electrically exposed conductive probe networks," and the accused device did not include a pair of probe networks separate from the voltage-carrying operating unit, thus no literal infringement was found.[15] The Court noted, however, that the single operating system performed the function of the two claim elements, but the patent *specifically* disclaimed devices using a single probe network, so infringement under the doctrine of equivalents could not be found. That is not the case here; the specification of the '828 patent contains no disclaimer of alternative circuitry.

The correct inquiry is whether the accused product or process contains elements identical or equivalent to each element of the claimed invention, without "entirely vitiat[ing]" an element.[16] In the instant case, the electrical connection performed by the actuating switch in the patent

14. 363 F.3d at 1284.

15. *Id.* at 1286.

16. *See Warner-Jenkinson Co.*, 520 U.S. at 40.

is performed by the circuit board in the accused device. There is no missing element, and there is no requirement of "a one-to-one correspondence between components of the accused device and the claimed invention."[17] The Court of Appeals' analysis is therefore an abuse of the "all elements rule," an attempt "to reduce the doctrine [of equivalents] to nothing more than a repeated analysis of literal infringement."[18]

CONCLUSION

For all of the foregoing reasons, Petitioners TIP Systems, LLC and TIP Systems Holding Company, Inc. respectfully request that this Court grant this Petition for Writ of Certiorari.

Respectfully submitted,

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17. *See Dolly*, 16 F.3d at 398 (citations omitted).

18. *See Ethicon*, supra, 149 F.3d at 1318.

APPENDIX

APPENDIX A — OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT DECIDED JUNE 18, 2008

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

2007-1241, -1279

TIP SYSTEMS, LLC and
TIP SYSTEMS HOLDING COMPANY, INC.,

Plaintiffs-Appellants,

v.

PHILLIPS & BROOKS/GLADWIN, INC. (trading as PBG, Inc.), ACOUSTICS DEVELOPMENT CORPORATION (trading as PBG, Inc.), and PBG, INC.,

Defendants,

and

INDEPENDENT TECHNOLOGIES, INC.,
(trading as Wintel),

Defendant-Appellee,

and

Appendix A

TZ HOLDINGS, INC., T-NETIX TELECOMMUNICATIONS SERVICES, INC., T-NETIX, INC., EVERCOM HOLDINGS, INC., EVERCOM SYSTEMS, INC., EVERCOM, INC. (doing business as Texas Evercom, Inc.),

Defendants-Cross Appellants,

and

JCW ELECTRONICS, INC.,

Defendant,

and

MYRMIDON CORPORATION (trading as PBG, Inc.),

Defendant.

Appeals from the United States District Court for the Southern District of Texas in case no. 04-CV-3718, Judge Vanessa D. Gilmore.

DECIDED: June 18, 2008

Before MICHEL, *Chief Judge*, PROST, *Circuit Judge*, and POGUE, *Judge*.*

* Honorable Donald Pogue, Judge, United States Court of International Trade, sitting by designation.

Appendix A

PROST, *Circuit Judge.*

This is a patent infringement case pertaining to wall-mounted telephones designed for use by prison inmates. TIP Systems, LLC ("TIP") filed suit in the United States District Court for the Southern District of Texas against: Phillips & Brooks/Gladwin, Inc., Acoustics Development Corporation, and PBG, Inc.; Independent Technologies, Inc. ("Independent Technologies"); TZ Holdings, Inc., T-Netix Telecommunications Services, Inc., T-Netix, Inc., Evercom Holdings, Inc., Evercom Systems, Inc., and Evercom, Inc. (collectively "Evercom"); JCW Electronics, Inc.; and Myrmidon Corporation for infringement of two patents. TIP appeals the district court's claim construction order, *TIP Systems, LLC v. Phillips & Brooks/Gladwin, Inc.*, No. 04-CV-3718 (S.D.Tex. Feb. 22, 2006) ("*Claim Constr. Order* "), and the district court's grant of Independent Technologies' and Evercom's motion for summary judgment of non-infringement. *TIP Systems, LLC v. Phillips & Brooks/Gladwin, Inc.*, No. 04-CV-3718 (S.D.Tex. Mar. 1, 2007) (granting Independent Technologies' Mot. for Summ. J.) ("*Indep. Techs.' Summ. J. Order*"); *TIP Systems, LLC v. Phillips & Brooks/Gladwin, Inc.*, No. 04-CV-3718 (S.D.Tex. Mar. 1, 2007) (granting Evercom's Mot. for Summ. J.) ("*Evercom's Summ. J. Order*"). Because we find no error in the district court's claim construction and its holding that the accused devices do not infringe literally or under the doctrine of equivalents, we affirm.

Appendix A

I

TIP is the owner of two related patents, U.S. Patent No. 6,009,169 ("the '169 patent") and U.S. Patent No. 6,512,828 ("the '828 patent"). The '828 patent application is a continuation of another application, now abandoned, which is in turn a continuation-in-part of the '169 patent application. Both patents are directed to cord-free telephones for use in correctional facilities. The absence of a telephone cord enhances safety by preventing an inmate from hanging himself or using the cord as a weapon. '169 patent, col. 1, ll. 11-14; '828 patent, col. 1, ll. 30-33. It also lowers maintenance costs. '169 patent, col. 1, ll. 14-16; '828 patent, col. 1, ll. 33-35. Claim 1 of the '169 patent is representative:

> An inmate phone of the type having a housing in an interior wall of a prison, a push-button dialing pad mounted within a front wall of the housing with the push-button digits of the push-button dialing pad extending out of the front wall, a telephone *handset* being a handle with an earpiece at one end and a mouthpiece at an opposite end, a handset cord electrically connected between the push-button dialing pad and the telephone *handset*, wherein the improvement comprises means for permanently mounting the telephone *handset* vertically within the front wall of the housing, so that the *earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front*

> *wall of the housing* to be used by inmates within the prison hands free while the handset cord is also permanently maintained within the housing, to prevent the inmates from having direct access to the telephone handset and the handset cord, in which the inmates can no longer hang themselves with the handset cord and break the handset cord off and use the telephone handset as a weapon.

(Emphases added). Claim 1 of the '828 patent is also representative and recites in relevant part:

> A telephone for permanent mounting to a mounting surface in environments wherein the telephone is subject to abuse, comprising:
>
> > a housing, a mouthpiece, an earpiece, an electronic circuit board, a push-button dialing pad, a phone line and a dial tone actuating switch;
> >
> > said housing including a housing front wall;
> >
> > said housing front wall including a front wall inner surface;
> >
> > said housing front wall including a plurality of aural apertures, a plurality of push-button apertures

and a dial tone actuating switch aperture;

said mouthpiece and said earpiece mounted to said front wall;

said mouthpiece and said earpiece extending outward from said housing through said aural apertures such that a user places his ear next to said aperture for said earpiece;

. . .

said earpiece and said mouthpiece presenting an external relief surface for positioning said ear and a mouth of said user;

. . .

said dial tone actuating switch electrically connected to said phone line and said electronic circuit board;

. . . .

and said phone operable in said mounted position by access to said

> mouthpiece, said earpiece, said dialing pad and said dial tone actuating switch.

(Emphases added).

The two accused devices are Model 7090 CFSS ("CFSS") and Model 7090 SPSS ("SPSS"). Neither device contains a conventional handset with a handle, but each contains an earpiece and a mouthpiece. In the CFSS phone, both the earpiece and the mouthpiece project beyond the wall of the housing. In contrast, in the SPSS phone, the earpiece and mouthpiece are flush with the wall of the housing. In each phone, the actuating switch is connected to the circuit board, but not to the phone line.

On February 22, 2006, following a hearing, the district court issued a claim construction order, construing the terms of both patents. *Claim Constr. Order.* Thereafter, on March 1, 2007, the court granted Independent Technologies' and Evercom's motions for summary judgment of non-infringement. *Indep. Techs.' Summ. J. Order; Evercom's Summ. J. Order.* TIP appealed. We have jurisdiction pursuant to 28 U.S.C. § 1295(a)(1).

II

We review a district court's grant of summary judgment de novo. *Innogenetics, N.V. v. Abbott Labs.*, 512 F.3d 1363, 1378 (Fed.Cir.2008). Claim construction

is a question of law which we review de novo. *Cybor Corp. v. FAS Techs., Inc.*, 138 F.3d 1448, 1456 (Fed.Cir.1998) (en banc). In determining the meaning of a disputed claim limitation, we look to the intrinsic evidence, including the claim language, written description, and prosecution history, as well as to extrinsic evidence. *Phillips v. AWH Corp.*, 415 F.3d 1303, 1314 (Fed.Cir.2005) (en banc).

III

On appeal, TIP argues that the district court erred in its construction of several terms in each patent. We take each claim term in turn.

A

First, TIP argues that the district court erred in its construction of the term "handset" in claim 1 of the '169 patent. The district court construed the term to mean "a handle with an earpiece at one end and a mouthpiece at the opposite end." *Claim Constr. Order*, slip op. at 18. Instead, TIP argues, the term should be construed to mean "an earpiece and mouthpiece and equivalents." In other words, TIP contends that the term should be construed to not require the presence of a handle. Citing *Hockerson-Halberstadt, Inc. v. Converse, Inc.*, 183 F.3d 1369 (Fed.Cir.1999), TIP argues that construction of a claim term requires interpretation of the entire claim in context and that the patentees may define a claim term in any way they choose. According to TIP, the term "handset" has been re-defined in the context of the

hands-free nature of the patented invention to be nothing more than a mounted earpiece and mouthpiece, and "handle" is simply a means for mounting the earpiece and mouthpiece to the housing at a fixed distance apart.

In construing the term "handset," the district court principally relied on the language of the claim. The court noted that the claim expressly states: "a telephone handset being a handle with an earpiece at one end and a mouthpiece at an opposite end." Hence, the claim itself contains a precise definition of the term. By first looking to the claim language, the court recognized that "the claims themselves provide substantial guidance as to the meaning of particular claim terms." *Phillips*, 415 F.3d at 1314. We find no error by the district court in relying heavily on the claim language to construe the claim term. The court's construction is supported by an identical definition in the specification: "A telephone handset 24 is provided, being a handle 26 with an earpiece 28 at one end and a mouthpiece 30 at an opposite end." '169 patent, col. 3, ll. 61-63. Thus, the intrinsic evidence supports the court's construction of "handset."

TIP contends that its proposed construction is supported by: the disclosure of structures for permanently mounting a "handset" in Figures 1-5; the statement in the specification that "[t]he improvement comprises a facility 34 for premanently [sic] mounting the telephone handset 24," '169 patent, col. 3, ll. 66-67; and the preferred embodiment, which includes

"[a]t least one bracket assembly 40 [which] is secured within the front wall 20 of the housing 12, for permanently retaining the earpiece 28 and the mouthpiece 30 of the telephone handset 24." *Id.*, col. 4, ll. 17-20. Further, TIP contends, the definition of "handset" depends on proper construction of the phrase "means for permanently mounting the telephone handset vertically within the front wall of the housing," which should be construed as a means-plus-function claim limitation pursuant to 35 U.S.C. § 112, ¶ 6. According to TIP, the structure in the specification supporting this means-plus-function claim term is "[a]t least one bracket assembly 40 [which] is secured within the front wall 20 of the housing 12, for permanently retaining the earpiece 28 and the mouthpiece 30 of the telephone handset 24." *Id.*, col. 4, ll. 17-20. Notably, TIP contends, there is no mention of a handle. In addition, TIP asserts that the only functional portions of the handset shown in Figures 1, 2, and 5 of the '169 patent are the earpiece and mouthpiece. Citing *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336 (Fed.Cir.2001), TIP avers that it is improper to limit the meaning of a claim term to the preferred embodiment and that, in this case, the specification contemplates the mounting of the earpiece and mouthpiece without a handle.

TIP's argument, however, conflates construction of the term "handset" with construction of the phrase "means for permanently mounting the telephone handset," which are separate elements of the claimed invention. As the district court noted, TIP's means-plus function analysis is flawed because the phrase "means

for permanently mounting the telephone handset" refers to a different structure than the handset itself. While TIP identifies language in the specification that may assist in defining the claim term "means for permanently mounting the telephone handset," TIP does not point to any support in the specification for an alternative definition of the term "handset" that does not include a handle. Although a handle is not depicted in Figures 1, 2, and 5, the figures are pictorials of the telephone from a perspective outside the housing where the handle is not visible. Indeed, the only structure disclosed in the specification for permanently mounting the handset is a bracket assembly that attaches directly to the handle. *Id.*, figs. 3-4, col. 4, ll. 26-28. Thus, a handle is clearly an essential component of the handset. We find no support in the specification for a definition of "handset" that is contrary to the express definition in the claim, namely, "a handle with an earpiece at one end and a mouthpiece at an opposite end."

TIP also contends that the district court failed to appreciate that claim 1 is in Jepson format and that, therefore, the preamble defines not only the context of the claimed invention, but also its scope. Relying on *Rowe v. Dror*, 112 F.3d 473 (Fed.Cir.1997), TIP argues that whether the preamble recites structural limitations or merely states a purpose or intended use can only be gleaned from a review of the entire patent.

In *Rowe*, we held that the term "angioplasty" is a structural limitation on the phrase "balloon angioplasty catheter" which appeared in the preamble of the claim.

Id. at 479. Similarly, here, we find that the phrase "handle with an earpiece at one end and a mouthpiece at an opposite end" is a structural limitation on the claim term "handset." Interpreting "handle" to be a structural limitation on the claim is supported by the repeated reference to "handle" in the specification. '169 patent, abstract, col. 3, ll. 32, 62, col. 4, ll. 27, 39, figs. 3-4. Accordingly, we find no error by the district court in its determination that a "handle" is a required structural component of the claim term "handset."

TIP next asserts that the district court erred in concluding that during prosecution of the related '828 patent application, TIP eventually withdrew its argument that an earpiece and mouthpiece constituted a "handset." According to TIP, during prosecution of the '828 patent, the examiner required that "handset" be removed from the claims because the term did not appear in the specification. In response, the applicants amended the claims to replace "handset" with "earpiece and mouthpiece." This amendment, TIP avers, clearly demonstrates how the applicants defined the term "handset." Further, TIP contends, the examiner rejected the claims of the '828 patent application as being obvious over the claims of the '169 patent and required the applicants to file a terminal disclaimer. Thus, the invention claimed in the '828 patent application, which clearly did not disclose or claim a handle, was deemed to be obvious over the '169 patent.

This court has held that the prosecution history of a related patent application may inform construction of

a claim term, when the two applications are directed to the same subject matter and a clear disavowal or disclaimer is made during prosecution of the related application. *Ormco Corp. v. Align Tech., Inc.*, 498 F.3d 1307, 1314 (Fed.Cir.2007); *Microsoft Corp. v. Multi-Tech Sys., Inc.*, 357 F.3d 1340, 1349-50 (Fed.Cir.2004); *Omega Eng'g, Inc. v. Raytek Corp.*, 334 F.3d 1314, 1333 (Fed.Cir.2003); *Wang Labs., Inc. v. Am. Online, Inc.*, 197 F.3d 1377, 1384 (Fed.Cir.1999). Here, however, the specification of the '828 patent and that of the '169 patent are distinct. Whereas the '828 patent depicts phones without a handle and does not use the term "handset" in the specification, the '169 patent depicts only phones with a handle and uses the term "handset" repeatedly throughout the specification. Moreover, here, TIP does not urge us to construe the term "handset" in the '169 patent based on a clear disavowal or definition of the term made during prosecution of the '828 patent application, but rather based on an amendment eliminating the term entirely from the claims of the '828 patent application. The district court correctly concluded that by amending the claims of the '828 patent application to remove the term "handset," the applicants conceded that there was no support for the term in the specification. Moreover, at the time of the amendment, the applicants explained the difference between the '828 patent application and the '169 patent as follows:

> The present application varies from [the '169 patent] primarily in the structure of the earpiece/mouthpiece. In the ['169 patent], the earpiece and mouthpiece are integral in a

> standard telephone handset. In the present application, the earpiece and mouthpiece are not integrated into a single standard handset.

Thus, the applicants distinguished the '169 patent, where the earpiece and mouthpiece are integrated into a handset, from the '828 patent application, where they are not. The fact that the patent examiner found the claims of the '828 patent application to be obvious in view of the claims of the '169 patent has no bearing on our construction of the term "handset" in the '169 patent. The meaning of the term can be discerned from the language of the claims themselves, and is fully supported by the specification, drawings, and prosecution history.

Finally, TIP asserts that the district court erred in not considering extrinsic evidence in construing the term "handset." TIP contends that it is accepted industry practice to use the term "handset" to refer to separate earpiece and mouthpiece units. Specifically, TIP refers to brochures, instructions, and practice manuals produced for the accused devices that use the term "handset" to refer only to the earpiece and mouthpiece. Based on this extrinsic evidence, TIP argues that the district court should have construed the term to mean "an earpiece and mouthpiece and equivalents."

"[W]hile extrinsic evidence can shed useful light on the relevant art . . . it is less significant than the intrinsic record in determining the legally operative meaning of claim language." *Phillips*, 415 F.3d at 1317 (internal

quotations and citations omitted). The district court did not err in finding that the clear intrinsic evidence outweighed the extrinsic evidence of industry practice.

In sum, we hold that the district court did not err in construing the term "handset" to mean "a handle with an earpiece at one end and a mouthpiece at the opposite end."

B

TIP next argues that the district court erred in its construction of the phrase "the earpiece positioned at top and the mouthpiece positioned at bottom will permanently *extend out through* the front wall of the housing" in claim 1 of the '169 patent and the phrase "said mouthpiece and said earpiece *extending outward* from said housing *through* said aural apertures" in claim 1 of the '828 patent. The court construed both phrases to mean "both the earpiece and mouthpiece pass through apertures in the front wall such that they project out from the front wall." *Claim Constr. Order*, slip op. at 20-21.

TIP contends that the court erred in limiting the meaning of "through" in both claim terms to a physical or structural connotation even though dictionaries also give "through" a functional connotation, such as, "to a conclusion or accomplishment" or "among or between; in the midst of." According to TIP, under a functional definition of "through," the claim terms could be construed to mean that the earpiece and mouthpiece

function "in the midst of" the housing and aural apertures so that the user can utilize them, or that the earpiece and mouthpiece function to the "conclusion or accomplishment" of allowing inmates to use the phone hands-free. Such a construction is supported, according to TIP, by the alternative embodiment disclosed in the '828 patent, wherein "aural communication to earpiece 28 and mouthpiece 30 is afforded through a sound transparent section of housing front wall 20, such as a plurality of small holes (not shown)." '828 patent, col. 3, ll. 16-19. TIP argues that by adopting a narrower definition of the claim term, the district court excluded the alternative embodiment, wherein neither the earpiece nor the mouthpiece project out from the front wall. *Id.*, col. 3, ll. 12-15. In essence, TIP's argument is that the earpiece and mouthpiece need not project beyond the wall of the housing, but may be flush with the housing.

TIP's proffered functional definition of the word "through" does not aid in construing the claim terms and, in fact, leads to a nonsensical result. For example, adopting TIP's construction of "through," the relevant claim term in the '169 patent would read: "the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out [to a conclusion or accomplishment; among or between; in the midst of] the front wall of the housing." Similarly, the relevant claim term in the '828 patent would read: "said mouthpiece and said earpiece extending outward from said housing [to a conclusion or accomplishment; among or between; in the midst of] said aural apertures."

Appendix A

The most natural reading of the claim language "earpiece . . . and . . . mouthpiece . . . permanently extend out through the front wall of the housing" in the '169 patent and the claim language "mouthpiece . . . and . . . earpiece extending outward from said housing" in the '828 patent is that the earpiece and mouthpiece project out from the wall of the housing. The specification of the '169 patent supports such a construction of the claim term in its recitation: "[T]he earpiece 28 positioned at the top and the mouthpiece 30 positioned at the bottom will permanently extend out through the front wall 20 of the housing 12 to be used by inmates within the prison 16 hands free." '169 patent, col. 4, ll. 1-5. In addition, Figures 1, 2, and 4 in the '169 patent all depict the telephone with the earpiece and mouthpiece extending out beyond the wall of the housing. Similarly, in the preferred embodiment disclosed in the specification of the '828 patent, "[a]ural output and input to inmate phone 10 is provided respectively by earpiece 28 and mouthpiece 30, both being mounted to the interior of housing front wall 20 and extending outward from housing front wall 20 through aural apertures 38." '828 patent, col. 2, ll. 59-63. Figures 1 and 2 both depict the earpiece and mouthpiece projecting out from the wall of the housing.

TIP, of course, is correct that the specification of the '828 patent discloses an alternative embodiment, wherein the earpiece and mouthpiece do not extend through the housing front wall. However, to construe the claim term to encompass the alternative embodiment in this case would contradict the language of the claims.

Indeed, read in the context of the specification, the claims of the patent need not encompass all disclosed embodiments. *PSN Ill., LLC v. Ivoclar Vivadent, Inc.*, 525 F.3d 1159, 1167 (Fed.Cir.2008). Our precedent is replete with examples of subject matter that is included in the specification, but is not claimed. *Schoenhaus v. Genesco, Inc.*, 440 F.3d 1354, 1359 (Fed.Cir.2006); *Maxwell v. J. Baker, Inc.*, 86 F.3d 1098, 1108 (Fed.Cir.1996); *Unique Concepts, Inc. v. Brown*, 939 F.2d 1558, 1562-63 (Fed.Cir.1991). Therefore, the mere fact that there is an alternative embodiment disclosed in the '828 patent that is not encompassed by district court's claim construction does not outweigh the language of the claim, especially when the court's construction is supported by the intrinsic evidence. '169 patent, col. 3, l. 66 to col. 4, l. 5; figs. 1, 2, 4; '828 patent, col. 2, ll. 59-63; figs. 1, 2.

TIP further avers that the proper meaning of the claim term can only be assessed in the context of the means-plus-function claim limitations in claim 1 of the '828 patent, which must be construed according to 35 U.S.C. § 112, ¶ 6. Specifically, TIP points to the following claim limitations: "said phone operable in said mounted position by access to said mouthpiece, said earpiece, said dialing pad and said dial tone actuating switch" and "a user places his ear next to said aperture for said earpiece." According to TIP, the function of using or operating the phone can be accomplished regardless of whether the earpiece and mouthpiece are flush with the housing, are recessed from the housing, or project out from the housing.

Although use of the term "means" is not the only way to invoke § 112, ¶ 6, when, as here, a claim element does not use "means," there is a rebuttable presumption that § 112, ¶ 6 does not apply. *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359, 1369 (Fed.Cir.2002); *Micro Chem., Inc. v. Great Plains Chem. Co.*, 194 F.3d 1250, 1257 (Fed.Cir.1999); *Al-Site Corp. v. VSI Int'l, Inc.*, 174 F.3d 1308, 1318 (Fed.Cir.1999); *Personalized Media Communications, LLC v. Int'l Trade Comm'n*, 161 F.3d 696, 703-04 (Fed.Cir.1998). In deciding whether the presumption has been rebutted, the focus is on whether the claim recites sufficiently definite structure. *CCS Fitness*, 288 F.3d at 1369; Al-Site, 174 F.3d at 1318; *Personalized Media*, 161 F.3d at 704. Each of the claim elements which TIP alleges invokes § 112, ¶ 6 recite clear and definite structures, namely, mouthpiece, earpiece, dialing pad, dialing tone actuating switch, and aperture. Therefore, TIP has not successfully rebutted the presumption that § 112, ¶ 6 does not apply. In any event, even if we were to construe these claim elements as means-plus-function claim terms, we cannot see how that construction under § 112, ¶ 6 would affect construction of the claim terms at issue here.

Accordingly, we find no error in the district court's construction of the phrase "the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front wall of the housing" in claim 1 of the '169 patent and the phrase "said mouthpiece and said earpiece extending outward from said housing through said aural

apertures" in claim 1 of the '828 patent to mean that "both the earpiece and mouthpiece pass through apertures in the front wall such that they project out from the front wall."

C

In a related argument, TIP contests the district court's construction of the claim term "said earpiece and said mouthpiece presenting an external relief surface for positioning said ear and a mouth of said user" in claim 1 of the '828 patent to mean "the earpiece and the mouthpiece present a raised surface on the outside of the phone for positioning said ear and mouth of said user." *Claim Constr. Order*, slip op. at 25. TIP contends that the court improperly limited the term to its meaning in the field of art and architecture. Instead, TIP argues, the proper interpretation of the word "relief" in the context of the claims and specification of the '828 patent is "distinction or prominence resulting from contrast." TIP avers that such a construction would include raised-surface, recessed-surface, and flush-surface earpiece and mouthpiece configurations, provided the user can identify and access the earpiece and mouthpiece. Once again, TIP argues that the district court, by limiting its definition of the claim term, excludes the alternative embodiment disclosed in the specification of the '828 patent, wherein the earpiece and mouthpiece are flush with the wall of the housing. '828 patent, col. 3, ll. 12-15. According to TIP, the specification and drawings of the '169 patent support its proposed construction in that the purpose of the invention is to prevent inmates from

having access to the telephone handset or the handset cord without restriction on the mounting of the earpiece and mouthpiece. Finally, TIP contends that the first prototype of the claimed invention has an external relief surface which is flush with, not raised above, the phone housing.

The district court's construction of the claim term is consistent with the claims and the specification of the '828 patent. As discussed above, proper construction of the claim term "said mouthpiece and said earpiece extending outward from said housing through said aural apertures" in claim 1 of the '828 patent requires that "both the earpiece and mouthpiece pass through apertures in the front wall such that they project out from the front wall." To be read consistently with that claim term, the only reasonable interpretation of the phrase "said earpiece and said mouthpiece presenting an external relief surface" is that the earpiece and mouthpiece present a raised surface above the housing. The district court's construction is also consistent with the preferred embodiment disclosed in the specification. '828 patent, col. 2, ll. 59-63, col. 4, ll. 11-18. Furthermore, Figures 1 and 2 of the patent depict the earpiece and mouthpiece as a raised surface above the housing. Although the alternative embodiment does not support the court's construction, for the reasons discussed above, the claims need not be construed to encompass all disclosed embodiments when the claim language is clearly limited to one or more embodiments. *PSN Ill.*, 525 F.3d at 1167.

The specification of the '169 patent, offered by TIP as support, has no bearing on our construction of a term that is neither claimed nor disclosed in the '169 patent. Nonetheless, the only embodiment disclosed in the '169 patent depicts an earpiece and mouthpiece that extend out from the housing, thus creating a raised surface above the housing, consistent with the court's claim construction. Lastly, the prototype, as extrinsic evidence, need be given little weight in the court's claim construction if it is outweighed by clear intrinsic evidence. *Phillips*, 415 F.3d at 1324.

For the reasons stated, we find no error in the district court's construction of "said earpiece and said mouthpiece presenting an external relief surface for positioning said ear and a mouth of said user" in claim 1 of the '828 patent to mean "the earpiece and the mouthpiece present a raised surface on the outside of the phone for positioning said ear and mouth of said user."

D

Finally, TIP objects to the district court's construction of "said dial tone actuating switch electronically connected to said phone line and said electronic circuit" in claim 1 of the '828 patent. The district court construed the claim term to mean "said dial tone actuating switch electronically connected to both the said phone line and said electronic circuit board, such that electricity can pass among these elements." *Claim Constr. Order*, slip op. at 22. TIP contends that

the phrase should instead be construed to mean "the dial tone actuating switch is electrically connected to said phone line and said electronic circuit board, such that electricity can pass among these elements." In other words, TIP maintains that the actuating switch need not be between the phone line and the circuit board, provided that electricity can pass between the three components.

TIP contends that its proposed construction is consistent with the claims and the specification of the '828 patent, as well as the art of basic electrical circuitry. According to TIP, the specification indicates that the invention utilizes conventional telephone electronic circuitry, which for every payphone includes a connection between the phone line and the circuit board and between the actuating switch and the circuit board. TIP argues that the specification does not depict two separate, direct electrical connections from the dial tone actuating switch to the phone line and to the circuit board. While TIP concedes that Figure 3 shows a connection between the actuating switch and the circuit board, it contends that neither Figure 3 nor Figure 4 shows a connection between the actuating switch and the phone line. Thus, TIP avers that the specification only requires that the actuating switch, the phone line, and the circuit board be connected such that electricity can flow among them, and does not limit the manner of connection.

The district court's construction, however, is supported by the language of claim 1 of the '828 patent.

The claim uses the conjunction "and," indicating that the dial tone actuating switch must be electronically connected to the phone line *and* it must be electronically connected to the circuit board. Further, the specification provides that the "[d]ial tone actuating switch 36 is electrically connected *between* phone line 58 and electronic circuit board 19." '828 patent, col. 3, ll. 43-45 (emphasis added). Figure 4, although not depicting electrical connections, indicates that the actuating switch is physically located between the phone line and the circuit board.

Accordingly, we affirm the district court's construction of the term "said dial tone actuating switch electronically connected to said phone line and said electronic circuit" in claim 1 of the '828 patent to mean "said dial tone actuating switch electronically connected to both the said phone line and said electronic circuit board, such that electricity can pass among these elements."

IV

Before the district court, TIP conceded that, under the district court's claim construction, neither of the accused devices literally infringe the claims of the '169 patent. *Indep. Techs.' Summ. J. Order*, slip op. at 10; *Evercom's Summ. J. Order*, slip op. at 10.

On appeal, TIP contends, however, that both phones infringe the "handset" limitation of claim 1 of the '169 patent under the doctrine of equivalents. According to

TIP, the earpiece, mouthpiece, electrical wires and phone housing elements of the accused devices perform substantially the same function in substantially the same way to obtain the same result as the claimed handset. TIP asserts that the purpose of the accused devices, like the claimed handset, is to allow persons to communicate privately in a safer manner and with reduced maintenance costs. Further, TIP asserts that the key features of the accused devices are identical to the claimed handset-the earpiece and mouthpiece are vertically mounted to the phone housing at a fixed distance apart such that they are the only accessible parts. In fact, TIP contends the only function of the handle in the claimed invention is to space the earpiece and mouthpiece elements at a fixed distance apart. TIP proffers that this function is performed in the accused devices by the phone housing. The equivalency between the claimed invention and the accused devices is supported, according to TIP, by the examiner's obviousness-type double patenting rejection in the '828 patent application based on the '169 patent.

Infringement under the doctrine of equivalents may be found when the accused device contains an "insubstantial" change from the claimed invention. *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 610, 70 S.Ct. 854, 94 L.Ed. 1097 (1950). Whether equivalency exists may be determined based on the "insubstantial differences" test or based on the "triple identity" test, namely, whether the element of the accused device "performs substantially the same function in substantially the same way to obtain the same

result." *Warner-Jenkinson Co. v. Hilton Davis Chem. Co.*, 520 U.S. 17, 38-40, 117 S.Ct. 1040, 137 L.Ed.2d 146 (1997) (quoting *Union Paper-Bag Mach. Co. v. Murphy*, 97 U.S. 120, 125, 24 L.Ed. 935 (1877)). The essential inquiry is whether "the accused product or process contain elements identical or equivalent to each claimed element of the patented invention[.]" *Warner-Jenkinson*, 520 U.S. at 40, 117 S.Ct. 1040. In other words, the "all elements" rule is applicable to infringement under the doctrine of equivalents just as it is to literal infringement. *PSN Ill.*, 525 F.3d at 1167; *DePuy Spine, Inc. v. Medtronic Sofamor Danek, Inc.*, 469 F.3d 1005, 1016-17 (Fed.Cir.2006); *Freedman Seating Co. v. Am. Seating Co.*, 420 F.3d 1350, 1358 (Fed.Cir.2005).

The district court found that the accused devices do not infringe the "handset" limitation under the doctrine of equivalents because no structural equivalent to a handset is found in either of the accused devices. We agree. As discussed above, the claim limitation "handset" is properly construed to mean "a handle with an earpiece at one end and a mouthpiece at the opposite end." While the accused devices each contain an earpiece and a mouthpiece, there is no structure in the accused devices that serves as an equivalent to a handle. Further, the examiner's obviousness-type double patenting rejection in the '828 patent application based on the '169 patent does not, in the circumstances of this case, require a finding of equivalence between the accused devices and the invention claimed in the '169 patent.

We find no merit to TIP's argument that the phone housing substitutes for the handle, nor do we find merit to its argument that the district court ignored this court's holding in *Dolly, Inc. v. Spalding & Evenflo Cos.*, 16 F.3d 394 (Fed.Cir.1994). The housing is a separately claimed element in claim 1 of the '169 patent. While we said in *Dolly* that there need not be a one-to-one correspondence between elements of the accused device and the claimed invention, that does not condone ignoring a claimed limitation in assessing infringement under the doctrine of equivalents. Such a holding would be contrary to the "all elements" rule. Indeed, we stated that "[t]he doctrine of equivalents is not a license to ignore claim limitations." *Dolly*, 16 F.3d at 398; *see also Sage Prods., Inc. v. Devon Indus., Inc.*, 126 F.3d 1420, 1424 (Fed.Cir.1997) ("[T]he doctrine of equivalents does not grant [a patentee] license to remove entirely [any of the] limitations from the claim."). Here, we cannot find that the housing in the accused device functions as an equivalent of the "handle" in the patented invention without rendering the "housing" limitation meaningless. *See PSN Ill.*, 525 F.3d at 1167 *Freedman Seating*, 420 F.3d at 1362; *Tronzo v. Biomet, Inc.*, 156 F.3d 1154, 1160 (Fed.Cir.1998). Furthermore, we note that TIP fails to provide any evidence that the housing functions in substantially the same way as the handle.

TIP further avers that the district court misinterpreted *Toro Co. v. White Consolidated Industries, Inc.*, 266 F.3d 1367 (Fed.Cir.2001), in distinguishing it from this case. In *Toro*, we reversed a grant of summary judgment of infringement after

finding that that there was a genuine issue of material fact as to whether the two-piece ring and cover in the accused vacuum blower was insubstantially different from the unitary ring and cover in the claimed invention. *Id.* at 1370. In so holding, we found that the district court, in applying the function-way-result test, had improperly imported a function from the specification into the claim limitation. *Id.* at 1371. On remand, we instructed the court to instead determine whether the accused device performed the same overall function as that recited in the patent claims. *Id.* at 1372. The holding in *Toro*, however, is inapplicable to the facts of this case because, here, the dispute is not about what function is performed by the claim limitation, but rather about whether the accused device contains a functional equivalent to the claim limitation. Thus, the district court did not err in finding that *Toro* was not relevant to this case. We agree with the district court that neither of the accused devices infringe the "handset" limitation of the '169 patent under the doctrine of equivalents.[1]

Accordingly, we find no error by the district court in granting summary judgment that neither the SPSS phone nor the CFSS phone infringes, literally or under the doctrine of equivalents, the claims of the '169 patent.

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1. Because we hold that neither accused device infringes the "handset" limitation of claim 1 of the '169 patent, we need not reach whether either accused device infringes the limitation "the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front wall of the housing" of claim 1 of the '169 patent under the doctrine of equivalents.

Appendix A

V

Before the district court, TIP conceded that, based on the court's claim construction, the SPSS phone does not literally infringe the claims of the '828 patent. *Indep. Techs.' Summ. J. Order*, slip op. at 10; *Evercom's Summ. J. Order*, slip op. at 10. Indeed, the SPSS phone does not meet the limitation "said mouthpiece and said earpiece extending outward from said housing through said aural apertures" or the limitation "said earpiece and said mouthpiece presenting an external relief surface for positioning said ear and a mouth of said user" in claim 1 of the '828 patent because the earpiece and the mouthpiece of the SPSS phone do not project outward from the housing to form a raised surface. Before the district court, TIP also conceded that the SPSS phone does not infringe the '828 patent under the doctrine of equivalents. *Indep. Techs.' Summ. J. Order*, slip op. at 21; *Evercom's Summ. J. Order*, slip op. at 21.

TIP did not concede before the district court, however, that the CFSS phone does not literally infringe the '828 patent under the court's claim construction. *Indep. Techs.' Summ. J. Order*, slip op. at 10; *Evercom's Summ. J. Order*, slip op. at 10. Nevertheless, the district court held that the CFSS phone does not meet the limitation "said dial tone actuating switch electronically connected to said phone line and said electronic circuit" in claim 1 of the '828 patent because the actuating switch in the CFSS phone is not connected both to the circuit

board and to the phone line.[2] *Indep. Techs.' Summ. J. Order,* slip op. at 11; *Evercom's Summ. J. Order,* slip op. at 12. The district court also held that the CFSS phone does not infringe that claim limitation under the doctrine of equivalents. *Indep. Techs.' Summ. J. Order,* slip op. at 21; *Evercom's Summ. J. Order,* slip op. at 21.

TIP does not appeal the district court's holding of no literal infringement by the CFSS phone, but rather appeals only the district court's holding that the CFSS phone does not infringe under the doctrine of equivalents.[3] Specifically, TIP contends that because the CFSS phone functions as a telephone, the phone line, circuit board and actuating switch must be electrically

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2. In so holding, the district court recognized that the CFSS phone does meet the limitation "said mouthpiece and said earpiece extending outward from said housing through said aural apertures" and the limitation "said earpiece and said mouthpiece presenting an external relief surface for positioning said ear and a mouth of said user" in claim 1 of the '828 patent because the earpiece and the mouthpiece of the CFSS phone do project outward from the housing.

3. Although TIP appears to argue that both phones infringe the limitation "said dial tone actuating switch electronically connected to said phone line and said electronic circuit" of claim 1 of the '828 patent under the doctrine of equivalents, its argument with respect to the SPSS phone is presumably premised on our reversing the district court's construction of other claim terms in the '828 patent. Because we have affirmed the district court's construction of all claim terms, we deem TIP's arguments with respect to the SPSS phone to be moot.

connected. Although there is one connection in the CFSS phone, as opposed to two connections in the claims of the '828 patent, TIP avers that such a difference is insubstantial because in either case electricity passes among the elements. Furthermore, according to TIP, the electrical elements in the CFSS phone perform substantially the same function in substantially the same way to obtain the same result as the claimed invention.

The district court correctly found that the CFSS phone does not infringe the limitation "said dial tone actuating switch electronically connected to said phone line and said electronic circuit" in claim 1 of the '828 patent under the doctrine of equivalents. As construed by the district court, the claim term means "said dial tone actuating switch electronically connected to both the said phone line and said electronic circuit board, such that electricity can pass among these elements." Thus, the claim element requires that "said dial tone actuating switch [is] electrically connected to said phone line." The actuating switch in the CFSS phone is, however, not connected to said phone line. As the district court noted, TIP failed to point to an equivalent in the accused device that satisfies that claim limitation. Under the "all elements" rule, to find infringement, the accused device must contain "each limitation of the claim, either literally or by an equivalent." *Freedman Seating,* 420 F.3d at 1358 (citing *Warner-Jenkinson,* 520 U.S. at 29, 117 S.Ct. 1040); *see also PSN Ill.,* 525 F.3d at 1167; *Pennwalt Corp. v. Durand-Wayland, Inc.,* 833 F.2d 931, 935 (Fed.Cir.1987) (en banc). Although TIP argues that no claim element is vitiated by application of the doctrine

of equivalents, since the phone line, actuating switch, and circuit board are all present in the CFSS phone, we disagree. The claim specifically requires an electrical connection between the actuating switch and the phone line. There is no such connection, or an equivalent, present in the CFSS phone. Furthermore, TIP fails to show that the circuitry in the accused device functions in substantially the same way to achieve substantially the same result.

TIP contends that in *Gaus v. Conair Corp.*, 363 F.3d 1284 (Fed.Cir.2004), this court noted that an electrical operating system in an accused device could infringe a claim element directed to a pair of probe networks under the doctrine of equivalents. TIP's reliance on *Gaus* is apparently to support its contention that the single electrical connection in the CPSS phone is equivalent to the two electrical connections claimed in the '828 patent. In *Gaus*, however, we reversed the district court's grant of summary judgment of infringement under the doctrine of equivalents because we found that the patent specification clearly excluded the accused device from the scope of the claimed invention. 363 F.3d at 1290-92. Thus, *Gaus* does not assist TIP in showing infringement under the doctrine of equivalents here.

As the district court held, an electrical arrangement wherein the actuating switch is connected to both the circuit board and to the phone line is not equivalent to an arrangement wherein the actuating switch is connected only to the phone line because to find such

would read the phrase "connected to said phone line" out of the claim. *See PSN Ill.*, 525 F.3d at 1167; *Freedman Seating*, 420 F.3d at 1362; *Tronzo*, 156 F.3d at 1160. "[A]s between the patentee who had a clear opportunity to negotiate broader claims but did not do so, and the public at large, it is the patentee who must bear the cost of its failure to seek protection for this foreseeable alteration of its claimed structure." *Freedman Seating*, 420 F.3d at 1361 (quoting *Sage Products*, 126 F.3d at 1425). Therefore, we find no error in the district court's holding that the CFSS phone does not infringe the limitation "said dial tone actuating switch electronically connected to said phone line and said electronic circuit" in claim 1 of the '828 patent under the doctrine of equivalents.

Accordingly, the district court did not err in granting summary judgment of no literal infringement and no infringement under the doctrine of equivalents of the '828 patent by either the SPSS phone or the CFSS phone.[4]

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4. Because we affirm the district court's claim construction and holdings of non-infringement, we need not consider Evercom's cross-appeal of the district court's denial of its motion for summary judgment on certain invalidity affirmative defenses and denial of its motion for leave to amend its answer to add an inequitable conduct affirmative defense. We note, however, that there is significant doubt as to whether these issues were properly raised on cross-appeal. *See Symantec Corp. v. Computer Assocs. Int'l, Inc.*, 522 F.3d 1279, 1293-94 (Fed.Cir.2008).

Appendix A

VI

For the foregoing reasons, we affirm the district court's grant of summary judgment of non-infringement with respect to both the '169 patent and the '828 patent.

AFFIRMED

APPENDIX B — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION DATED FEBRUARY 28, 2007

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CIVIL ACTION NO. H-04-3718

TIP SYSTEMS, LLC, et al.,

Plaintiffs,

v.

PHILLIPS & BROOKS/GLADWIN, INC., et al.,

Defendants.

ORDER

Pending before the Court is Defendant Independent Technologies, Inc.'s Motion for Summary Judgment of Non-Infringement. **(Instrument No. 137).**

I.

This litigation centers on United States Patent No. 6,009,169 (the "'169 patent") and United States Patent No. 6,152,828 (the "'828 patent"). (Instrument No. 82, at 1). Both the '169 and '828 patents are held by Plaintiffs TIP Systems, LLC and TIP Systems Holding

Co., Inc. (collectively "TIP Systems" or "Plaintiffs") (*Id.*). TIP Systems brings this patent infringement lawsuit against Independent Technologies, Inc. ("ITC" or "Defendant"), SBC Communications Inc., Southwestern Bell Telephone, L.P., SWBT Texas, LLC, SBC Services, Inc., Ameritech Payphone Services, Inc., Pacific Telesis Group, Inc., SWBT Purchasing & Leasing Limited Partnership, Evercom, Inc., Evercom Systems, Inc., Evercom Holdings, Inc., T-Netix, Inc., T-Netix Telecommunications Services, Inc., and TZ Holdings, Inc. (*Id.*). The '169 patent application was filed on February 3, 1998, and the patent issued on December 28, 1999 (Instrument No. 88, Exhibit A). The '828 patent application was filed on November 11, 2000, and the patent issued on January 28, 2003. (Instrument No. 88, Exhibit B). Since the issuance of the Court's claim construction ruling on February 22, 2006, Plaintiffs have reached settlement agreements with several of the defendants, save for Independent Technologies, Inc. and the Evercom defendants.

The '169 patent covers an "inmate phone." (Instrument No. 151, at 4). The phone is supplied to correctional and other facilities to prevent prisoners from hanging themselves with "the handset cord or break[ing] the handset cord off and us[ing] the telephone handset as a weapon." (*Id.*). The '828 patent covers a "wall mounted telephone." (*Id.*). The '828 patent is a continuation-in-part of the '169 patent. (*Id.*, at 3-4). Because the patents are interrelated, Plaintiffs were "required to file a 'terminal disclaimer' on the '828 patent such that it would expire on the same date as

the '169 patent." (*Id.*). A terminal disclaimer is required when two related patents cover nearly the same invention. (*Id.*). Plaintiffs explain that, the invention in both the '169 and '828 patents is unlike a speakerphone in that for the unit to operate properly, the user is required to place "his or her head to the unit in the same proximity as with a conventional phone." (*Id.*, at 4). Plaintiffs go on to explain that with its invention, "conventional telephone cords are no longer necessary to access and utilize telephone services." (*Id.*).

Defendant ITC has manufactured and sold both the Model 7090 CFSS[1] (cord free stainless steel) and 7090 SPSS phones (speaker phone stainless steel) over the past several years. (Instrument No. 137, at 2). These phones are constructed to be mounted in correctional facilities, similar to the devices in the '169 and '828 Patents. (*Id.*). While the Model 7090 CFSS has both a conventional earpiece and mouthpiece mounted on the inner surface of the phone housing (without a handset between the pieces), which extend out through the front side of the housing, the Model 7090 SPSS has neither a conventional earpiece nor a conventional mouthpiece that project through the front wall housing. (*Id.*, at 3-4). Instead, the Model 7090 SPSS is described as having components of a mouthpiece and an earpiece (without a handset) that are attached to the inner surface of the housing, which allows users to hear and speak through the apertures in the front wall of the phone housing.

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1. As noted by Defendant, ITC stopped making the Model 7090 CFSS phone in the Spring of 2004.

(*Id.*, at 4). Defendant notes that both the Model 7090 CFSS and 7090 SPSS phones have electrical switches that connect at both ends to the electronic circuit boards, but that do not also connect to the phone line. (*Id.*). Plaintiffs have alleged that both the Model 7090 CFSS and SPSS phones infringe on their '169 and '828 Patents.

Claims 1 and 12 with respect to the '169 Patent are the claims at issue in this summary judgment motion. (Instrument No. 137, at 5-6). The language in Claim 1 of the '169 Patent includes the following:

> *1.* An inmate phone of the type having a housing in an interior wall of a prison, a push-button dialing pad mounted within a front wall of the housing with the push-button digits of the push-button dialing pad extending out of the front wall, a telephone handset being a handle with an earpiece at one end and a mouthpiece at an opposite end, a handset cord electrically connected between the push-button dialing pad and the telephone handset, wherein the improvement comprises means for permanently mounting the telephone handset vertically within the front wall of the housing, so that the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front wall of the housing to be used by inmates within the prison hands free while the handset cord is also permanently maintained within

> the housing, to prevent the inmates from having direct access to the telephone handset and the handset cord, in which the inmates can no longer hang themselves with the handset cord and break the handset cord off and use the telephone handset as a weapon.

(Instrument No. 137, Exhibit 2). Claim 12 of the '169 patent provides as follows:

> ***12.*** An inmate phone of the type having a housing in an interior wall of a prison, a push-button dialing pad mounted within a front wall of the housing with the push-button digits of the push-button dialing pad extending out of the front wall, a telephone *handset* being a handle with an earpiece at one end and a mouthpiece at an opposite end, a *handset* cord electrically connected between the push-button dialing pad and the telephone *handset*, wherein the improvement comprises:
>
> ***a.*** means for permanently mounting the telephone *handset* vertically within the front wall of the housing, so that the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front wall of the housing to be used by inmates within the prison hands free while the *handset* cord is also permanently maintained within the housing,

to prevent the inmates from having direct access to the telephone *handset* and the *handset* cord, in which the inmates can no longer hang themselves with the *handset* cord and break the *handset* cord off and use the telephone *handset* as a weapon; and

b. means extending through the front wall of the housing, for manually actuating the dial tone of the inmate phone independently of the telephone *handset.*

(*Id.*)

The '828 Patent claims 1 and 6, which both include similar requirements, are also at issue in this motion for summary judgment. Claim 1 states the following:

1. A telephone for permanent mounting to a mounting surface in environments wherein the telephone is subject to abuse, comprising:

a housing, a mouthpiece, an earpiece, an electronic circuit board, a push-button dialing pad, a phone line and a dial tone actuating switch;

said housing including a housing front wall;

said housing front wall including a front wall inner surface;

said housing front wall including a plurality of aural apertures, a plurality of push-button apertures and dial tone actuating switch aperture;

said mouthpiece and said earpiece mounted to said front wall;

said mouthpiece and said earpiece extending outward from said housing through said aural apertures such that a user places his or her ear next to said aperture for said earpiece;

said earpiece and said mouthpiece each being secured to said aural apertures by an annular seal;

said earpiece and said mouthpiece presenting an external relief surface for positioning said ear and a mouth of said user;

said mouthpiece and said earpiece electrically connected to said electronic circuit board . . .

> said dial tone actuating switch electrically connected to said phone line and said electronic circuit board; . . .

(*Id.*, at Exhibit 3).

On April 21, 2006, Defendant Independent Technologies, Inc. filed this Motion for Summary Judgment of Non-Infringement (Instrument No. 137). ITC first argues that its Model 7090 CFSS and 7090 SPSS phones do not literally infringe the '169 Patent because its phones are lacking essential elements that are claimed in the '169 Patent, namely a telephone handset. (*Id.*, at 1). Additionally, ITC argues that neither of its phones infringe the '169 Patent under the doctrine of equivalents because without a handset, infringement is precluded as a matter of law under the "all elements rule." (*Id.*). Further, ITC avers that its 7090 SPSS phone infringes neither the '169 nor the '828 Patents because ITC's 7090 SPSS phone does not include a mouthpiece and an earpiece that extend outward from the front housing of the phone. (*Id.*). Also, ITC argues that its 7090 SPSS phone can in no way infringe the '828 Patent under the doctrine of equivalents, as it does not include essential elements of the claimed invention. (*Id.*, at 2). Finally, ITC contends that its Model 7090 CFSS and SPSS phones do not infringe the '828 Patent for an additional reason-ITC claims that its phones do not contain a dial-tone activating switch that is electrically connected to both the phone line and the electronic circuit board as is claimed in the '828 Patent. (*Id.*).

Appendix B

On May 11, 2006 Plaintiffs Tip Systems filed their Response to Defendant's Motion for Summary Judgment (Instrument No. 151). Plaintiffs allege that both of Defendant's Model 7090 phones (CFSS and the SPSS) infringe their '169 and '828 Patents. (*Id.*, at 1). Specifically, Plaintiff argue that Defendant made only non-material alterations, not enough to preclude a finding of infringement, to its 7090 CFSS and SPSS phones--the removal of an actual handset and the mounting of the earpiece and mouthpiece flush within the phone housing, respectively. (*Id.*, at 2). For purposes of their response only, as a result of this Court's finding following the claim construction hearing, Plaintiffs concede that the 7090 SPSS phone does not literally infringe the '828 Patent. (*Id.*). Plaintiffs still maintain, however, that the 7090 SPSS phone infringes the '169 Patent under the doctrine of equivalents. (*Id.*).

On June 8, 2006, Defendant filed its Reply to Plaintiffs' Response to Defendant's Motion for Summary Judgment of Non-Infringement (Instrument No. 153). ITC argues that Plaintiffs' Response failed to establish any genuine issues of material fact that would preclude ITC from prevailing on its motion for summary judgment. (*Id.*, at 1). Defendant states that even if a fact issue is found with respect to the remaining issues, Defendant states that it is entitled to summary judgment on those issues which Plaintiff concede there is no infringement, namely (1) the CFSS and SPSS phones do not literally infringe the '169 Patent and (2) the SPSS phone does not infringe the '828 Patent, literally or under the doctrine of equivalents.

Appendix B

II.

Summary judgment is appropriate if no genuine issue of material fact exists and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56. A fact is "material" if its resolution in favor of one party might affect the outcome of the suit under governing law. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986); *see also United States v. Arron*, 954 F.2d 249, 251 (5th Cir. 1992). An issue is "genuine" if the evidence is sufficient for a reasonable jury to return a verdict for the nonmoving party. *See Anderson*, 477 U.S. at 248. If the evidence rebutting the motion for summary judgment is only colorable or is not significantly probative, summary judgment should be granted. *See Id.* at 2511; *see also Thomas v. Barton Lodge, Ltd.*, 174 F.3d 636, 644 (5th Cir. 1999). The summary judgment procedure, therefore, enables a party "who believes there is no genuine issue as to a specific fact essential to the other side's case to demand at least one sworn averment of that [specific] fact before the lengthy process continues." *Lujan v. Nat'l Wildlife Fed'n*, 497 U.S. 871, 886-88 (1990).

Under Rule 56(c), the moving party bears the initial burden of informing the district court of the basis for its belief that there is an absence of a genuine issue for trial and of identifying those portions of the record that demonstrate such absence. *See Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 576, 586-87 (1986); *see also Burge v. Parish of St. Tammany*, 187 F.3d 452, 464 (5th Cir. 1999).

Where the moving party has met its Rule 56(c) burden, the nonmovant "must do more than simply show that there is some metaphysical doubt as to the material facts . . . . [T]he nonmoving party must come forward with specific facts showing that there is a *genuine issue for trial.*'" *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. at 586-87 (quoting FED. R. CIV. P. 56(e)) (emphasis in original). *See also Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986); *Engstrom v. First Nat'l Bank*, 47 F.3d 1459, 1462 (5th Cir. 1995). To sustain the burden, the nonmoving party must produce evidence admissible at trial. *See Anderson*, 477 U.S. at 242; *see also Thomas v. Price*, 975 F.2d 231, 235 (5th Cir. 1992) ("To avoid a summary judgment, the nonmoving party must adduce admissible evidence which creates a fact issue.").

The Court reviews the facts in the light most favorable to the nonmovant and draws all reasonable inferences in favor of the nonmovant. *See Brown v. Bunge Corp.*, 207 F.3d 776, 781 (5th Cir. 2000). "The mere existence of a scintilla of evidence in support of the plaintiff's position will be insufficient; there must be evidence on which the jury could reasonably find for the plaintiff." *Anderson*, 477 U.S. at 252.

III.

A.

Defendant argues that it must prevail on Plaintiff's infringement allegations related to Plaintiff's '169 and '828 Patents because Plaintiffs have conceded that Defendant's Model 7090 CFSS and SPSS phones do not literally infringe the '169 Patent, and that Defendant's

Appendix B

Model 7090 SPSS phone neither infringes the '828 Patent literally nor under the doctrine of equivalents. (Instrument No. 153, at 1). While Plaintiffs have indeed made several concessions regarding Defendant's Model 7090 CFSS and SPSS phones and their respective infringement on the '169 Patent and the '828 Patent, Plaintiffs have, however, maintained a number of their infringement allegations. Specifically, for the purposes of this Motion, Defendant states that the only issues that remain before this Court are the determination of whether a genuine issue of material fact exists with respect to (1) the CFSS and the SPSS phones infringing the '169 Patent under the doctrine of equivalents and (2) the CFSS phone infringing the '828 Patent either literally or under the doctrine of equivalents. (*Id.*).

1.

Whoever without authority makes, uses, or sells any patented invention within the United States during the term of the patent therefore, infringes the patent. 35 U.S.C. § 271. The party who asserts infringement has the burden of proof at trial. The determination of whether a claim of a patent has been infringed is a two-step process. First, the claim of a patent is interpreted to determine its scope and meaning; second, it must be determined whether an accused device is within the scope of the properly constructed meaning. *North American Vaccine, Inc. v. American Cyanamid Co.*, 7 F.3d 1571, 1573 (Fed. Cir. 1993), *cert. denied*, 114 S.Ct. 1645 (1994) (citations omitted). Claim interpretation is a matter of law involving the review of patent

specifications, prosecution history, language of the patent claims, and, if necessary, extrinsic evidence. *Texas Instruments v. U.S. Int'l Trade Com'n*, 988 F.2d 1165, 1171 (Fed. Cir. 1993) (citations omitted). The court must decide and explicate its findings regarding claim construction on the record. *Genentech, Inc. v. Wellcome Foundation Ltd.*, 29 F.3d 1555 (Fed. Cir. 1994). The second step of the infringement analysis requires that the court determine whether the claim as properly construed covers the process or device accused of infringement. *Charles Greiner & Co.*, 962 F.2d 1031, 1034 (Fed. Cir. 1992). A determination of literal infringement requires that the accused device or process embody each limitation in the asserted claims. *North American Vaccine, Inc.*, 7 F.3d at 1574.

a.

Defendant argues that neither its Model 7090 CFSS phone nor its Model 7090 SPSS phone literally infringe the Plaintiffs' '169 Patent, as "key elements in the claims are missing from the phones." (Instrument No. 137, at 12). Defendant's argument is centered mainly on the inclusion of the term "handset" throughout the claims in the '169 Patent. (*Id.*). In its claim construction ruling, this Court construed the term "handset" to be a "handle with an earpiece at one end and a mouthpiece at the other." (*Id.*). Further, the claims in the '169 Patent also require a "means for permanently mounting the telephone handset vertically within the front wall of the housing," which Defendant argues does not exist on either of its phones since its phones are without a

handset. (*Id.*). Lastly, Defendant contends that the claim within the '169 Patent that requires an earpiece positioned at one end of the handset and a mouthpiece positioned at the bottom is not infringed by its phones because without a handset, "the earpiece and mouthpiece cannot be mounted at the top and bottom of the handset." (*Id.*, at 13). In Plaintiffs' Response, they do not broach the allegation that Defendants' Model 7090 CFSS and Model 7090 SPSS phones literally infringe the '169 Patent. In fact, Plaintiffs concede that the Defendant's phones do not literally infringe the '169 Patent, but still maintain their argument that both phones infringe the '169 Patent under the doctrine of equivalents. (Instrument No. 153, at 1; Instrument No. 151, at 2). Accordingly, Defendant's Motion for Summary Judgment with respect to Plaintiff's claims of literal infringement of the '169 Patent is **GRANTED**.

b.

While Plaintiffs concede that Defendant's Model 7090 SPSS phone does not literally infringe the '828 Patent, Plaintiffs still insist that the Model 7090 CFSS phone does literally infringe the '828 Patent. (Instrument No. 151, at 2). Plaintiffs highlight the claim of the '828 Patent that deals with the dial tone activating switch to argue their literal infringement claim with respect to the '828 Patent and Defendant's Model 7090 CFSS phone. (Instrument No. 151, at 15). Defendant argues that because the dial tone activating switch in its Model 7090 CFSS phone is not connected to both the phone

line and the electronic circuit board, this Court cannot enter a finding of literal infringement. (Instrument No. 137, at 18).

1.

The '828 Patent claim term at issue states the following: "said dial tone activating switch electrically connected to said phone line and said electronic circuit board." (Instrument No. 137, at 18). This Court construed this language to mean, "said dial tone actuating switch electronically connected to both the said phone line and said circuit board, such that electricity can pass among these elements." (*Id.*, at Exhibit 1, at 22). Defendant states the dial tone activating switch in its Model 7090 CFSS phone is not electronically connected to both the circuit board and the phone line. (Instrument No. 137, at 18). More specifically, Defendant points to the pictures provided to the Court by Defendant to support its contention that its Model 7090 CFSS phone is not designed in such a way to infringe upon the Plaintiffs' '828 Patent. (*Id.*). Defendant states that its phone's activating switch is directly connected to the circuit board by two sets of wires—neither of which are then also connected to the phone line. (*Id.*). Further, Defendant states that the phone line is in fact connected to the circuit board through a receptacle, which also is not connected to the two sets of wires in any way. (*Id.*). Without any evidence to support their position, Plaintiffs summarily argue that the activating switch in Defendant's Model 7090 CFSS phone is connected to both the phone line and

the electronic circuit board. (Instrument No. 151, at 16). Plaintiffs' literal infringement argument is lacking with respect to this particular phone, and is clearly more grounded in the Plaintiffs' contention that the Model 7090 CFSS phone infringes the '828 Patent under the doctrine of equivalents. The Plaintiffs have failed to provide this Court with any evidence to refute Defendant's contention that its Model 7090 CFSS phone's activating switch does not connect to both the circuit board and the phone line. Therefore, with such an absence of evidence to create a genuine issue of material fact for trial, Defendant's Motion for Summary Judgment with respect to the Model 7090 CFSS phone's literal non-infringement of the '828 Patent is **GRANTED**.

Plaintiffs have conceded that Defendant's Model 7090 SPSS phone does not literally infringe the '828 Patent given the Court's interpretation of the relevant claims following the *Markman* hearing in this case. Accordingly, this Court **GRANTS** Defendant's Motion for Summary Judgment with respect to the Model 7090 SPSS phone's literal non-infringement of the '828 Patent.

2.

Infringement under the doctrine of equivalents has been judicially devised to do equity in situations where there is no literal infringement, but liability is nevertheless appropriate to prevent what is in essence a pirating of the patentee's invention. *Texas Instrument*

v. US. Int'l Trade Comm'n, 988 F.2d 1165, 1173 (Fed. Cir. 1993) (quotations omitted). To demonstrate infringement under the doctrine of equivalents, the patent owner must show that when compared to the patent claim, the accused method or device performs (1) substantially the same intended function "as seen in the context of the patent, the prosecution history and the prior art"; (2) in substantially the same way, (3) to achieve substantially the same result as the claimed method. *Genentech, Inc.*, 29 F.3d at 1567. It is not enough to show that the accused method is equivalent overall to the claimed invention; rather, infringement requires that *every limitation* of a claim be met literally or by a substantial equivalent. *Intellicall, Inc. v. Phonometrics, Inc.*, 952 F.2d 1384, 1389 (Fed. Cir. 1992).

Even where an accused method appears to be "equivalent" to the patent claim, a patentee may nonetheless be precluded from proving infringement under the doctrine of equivalents. In part, prior art limits the range of permissible equivalents of a patent. *Wilson Sporting Goods Co. v. David Geoffrey & Assocs.*, 904 F.2d 677, 684 (Fed Cir.), *cert. denied*, 111 S.Ct. 537 (1990) ("since prior art limits what an inventor could have claimed, it limits the range of permissible equivalents of a claim"); *see Genentech, Inc.*, 29 F.3d at 1568 n. 40.

Moreover, a patentee may be estopped from asserting infringement under the doctrine of equivalents if the prosecution history of the patent makes it clear that the patentee limited its claim during the prosecution of the patent. *Brenner v. United States*,

773 F.2d 306, 307 (Fed. Cir. 1985); *Buehler AG v. Ocrim, S.p.A.*, 836 F. Supp. 1305, 1323 (N.D.Tex. 1993), *aff'd*, 34 F.3d 1080 (Fed. Cir. 1994). The essence of prosecution history estoppel is that a patentee should not be able to obtain, through litigation, coverage of subject matter relinquished during prosecution of the patent. *Haynes Int'l*, 8 F.3d at 1577. "The legal standard for determining what subject matter was relinquished is an objective one, measured from the vantage point of what a competitor was reasonably entitled to conclude, from the prosecution history, that the applicant gave up to procure issuance of the patent." *Id.* at 1578. A broad range of activities can give rise to prosecution history estoppel. *See Id.* at 1579. Application of prosecution history estoppel is reviewed as a question of law. *See Texas Instruments, Inc.*, 988 F.2d at 1173.

a.

Defendant argues that because neither its Model 7090 CFSS nor its Model 7090 SPSS phones contain a handset, as Defendant believes this Court defined the term, there exists "no structure for which an equivalent can be found." (Instrument No. 137, at 14). Defendant relies solely on *Dolly, Inc. v. Spalding & Evenflo Cos.* to support its argument as to the non-infringement of the '169 Patent under the doctrine of equivalents. 16 F.3d 394 (Fed. Cir. 1994). (*Id.*). Plaintiffs, however, offer a more expansive argument as to why they believe Defendant's phones do in fact infringe the '169 Patent under the doctrine of equivalents. Generally, Plaintiffs argue that both the 7090 CFSS and 7090 SPSS phones

"perform substantially the exact same function[s] [as the invention in the '169 Patent] in substantially the same way to obtain the same result." (Instrument No. 151, at 8; 17).

1.

As stated previously, Defendant's argument with respect to the non-infringement of the Model 7090 CFSS phone under the doctrine of equivalents is simple. Because Defendant believes that no handset exists, as indicated in the claims of the '169 Patent and as defined by this Court's interpretation of the term "handset" following the claim construction hearing, Defendant argues that this Court has the impossible task of finding an equivalent where an essential structural element (namely, the handset) is lacking in the alleged infringing device—the Model 7090 CFSS phone. (Instrument No. 137, at 14).

Plaintiffs make a comparison between the device in the '169 Patent and the Model 7090 CFSS phone to support their doctrine of equivalents argument. (Instrument No. 151, at 8). First, Plaintiffs assert that the general function of both of the '169 invention and the Model 7090 CFSS phone is to provide a safe, hands-free method by which inmates can communicate via phone to other persons. (*Id.*, at 8-9). In support of this assertion, Plaintiffs point to several of the Defendant's brochures used to promote its Model 7090 CFSS phone, and Plaintiffs note that the brochures contain strikingly similar statements, with respect to function and

purpose, as compared to those statements contained in the '169 Patent related to the general objective of the invention. (*Id.*). For example, Plaintiffs state that the Model 7090 CFSS phone brochures contain, specifically, language such as the following, "' [t]he phone is intended for installations where *safety* is the primary issue.'" (*Id.*, at 8) (citing Exhibit I) (emphasis in original). Next, Plaintiffs argue that the "key features" of the '169 Patent and the Model 7090 CFSS phone are identical. (*Id.*, at 9). Lastly, Plaintiffs argue that the Model 7090 CFSS phone does include an equivalent means for permanently mounting the handset, as is claimed in the '169 Patent. (*Id.*, at 13-14).

There is no dispute as to whether the Model 7090 CFSS contains an earpiece and a mouthpiece. The parties disagree, however, with respect to whether a "handle" exists in the 7090 CFSS phone. Defendant maintains its argument that a handle simply does not exist on its Model 7090 CFSS phone, and as a result, a finding of infringement is impossible given the fact that an essential structure, which is claimed, of the '169 Patent is missing. (Instrument No. 137, at 14). Plaintiffs argue to the contrary that a "handset equivalency" exists in the Model 7090 CFSS phone, and therefore, "the handset of the '169 Patent has the same function, performed in the same way to achieve the same result as the separated elements of the handset present in the 7090CF phone." (Instrument No. 151, at 9). Plaintiffs believe that because the handle in the '169 Patent is not made accessible to its users, its inclusion in the claimed invention is trivial, as the purpose of the '169

Patent invention can still be carried out—with or without an actual handset. (*Id.*, at 10).

As stated, Defendant likens its non-infringement argument to *Dolly*. (Instrument No. 137, at 14). Defendant points to one quote from the case to support its position, namely "the accused device must nonetheless contain *every* limitation or its equivalent." 16 F.3d at 398 (citing *Intel Corp. v. U.S. Int'l Trade Comm.*, 946 F.2d 821, 832 (Fed. Cir. 1991)). Plaintiffs argue that Defendant has misstated the "all elements rule" articulated in *Dolly*. (Instrument No. 151, at 10). Specifically, Plaintiffs concede that in *Dolly*, which involved a portable child's seat that could alternatively be used as a booster seat, the Federal Circuit found no equivalence because there was a missing element (stable frame) in the accused device. Plaintiffs point out that the Federal Circuit cautioned, however, that "[t]he doctrine of equivalents does not require a one-to-one correspondence between components of the accused device and the claimed invention," and that the court went on to state that "[a]n accused device may infringe under the doctrine of equivalents even though a combination of its components performs a function performed by a single element in the patented invention." *Dolly*, 16 F.3d at 398. Plaintiffs believe that the earpiece and the mouthpiece, spaced within the housing of the phone without a traditional handset, in the Model 7090 CFSS phone perform the same function as the claimed invention, which contains a traditional handset that serves to space the earpiece and mouthpiece.

More specifically, Plaintiffs argue that,

> [t]he accessible earpiece and mouthpiece of the 7090CF, vertically mounted a fixed distance apart to a phone housing which contains the electrical wiring connecting each, is equivalent to the vertically mounted handset, with accessible earpiece and mouthpiece and electrical wiring elements incorporated into and spaced a fixed distance apart by the handset, rendering only the earpiece and the mouthpiece accessible to the user.

(Instrument No. 151, at 11).

Plaintiffs go on to argue that they believe the Federal Circuit case, *Toro Co. Inc. v. White Consolidated Indus.* is more on-point than *Dolly* for at least a couple of reasons. 266 F.3d 1367 (Fed. Cir. 2001) (Instrument No. 151, at 12). In *Toro*, the Federal Circuit reversed a district court's finding of non-infringement under the doctrine of equivalents where the accused device, a vacuum blower, contained a two-piece restriction ring. *Toro*, 266 F.3d at 1370. The Federal Circuit noted that, "the determination of whether [the accused device's] two-piece ring and cover is insubstantially different from the unitary ring and cover [of the patented device] is a material issue of fact." *Id.* In addition, Plaintiffs rely on their expert, Ray Nettleton, who opines that "functions [of the handle in the '169 Patent] are to separate the earpiece and the mouthpiece at a fixed distance, and

for its mounting capabilities," and "[t]hose functions are performed [in the Model 7090 CFSS phone] by holes in the housing set at a fixed distance." (Instrument No. 153, at 3). In Defendant's Reply, Defendant states that "Mr. Nettleton's declaration does create an issue of fact because it does not address how there is an element that is comparable to the handset and ignores a key part of the function of a handset—holding the earpiece and mouthpiece a fixed distance from each other when they are not mounted in the housing." (*Id.*).

In viewing the evidence in the light most favorable to the non-movant, this Court believes that the factual scenario presented in *Toro* is distinguishable from the present case. In *Toro*, the court explained at some length the difference between structural and functional limitations claimed within a patent. *Toro*, 266 F.3d at 1371-72. The court's finding in *Toro* rested on an analysis that involved resolving a dispute related to functional limitations in the patent at issue. *Id.* Here, the Court believes that the dispute regarding the infringement of the Model 7090 CFSS phone is one that is based on the structural limitations claimed in the '169 Patent, and not the functional limitations imposed by the claims in that same Patent. It is undisputed that the patented invention and the accused device here carry out the same functions. What is disputed, however, is whether those functions with respect to the Model 7090 CFSS phone are carried out by substantially similar or equivalent structures. Both claims 1 and 12 of the '169 Patent include the structural limitation of a handset. This Court's claim construction of the term handset is

a, "handle with an earpiece at one end and a mouthpiece at the other." (Instrument No. 137, at Exhibit 1, at 18). The accused device simply does not contain a handle or any equivalent of such, which, in turn, does not enable the Court to evaluate the equivalency of the Model 7090 CFSS phone's non-existent handle and the patented invention's traditional handle. Plaintiffs' assertion that the 7090 CFSS phone's housing is somehow equivalent to the handle used in their invention is unsupported by evidence in the record before the Court. In *Dolly*, the Federal Circuit reversed the district court for disregarding a specific structural limitation included in the claim within the patent at issue. 16 F.3d at 398. "The doctrine of equivalents is not a license to ignore claim limitations." *Id.* (citing *Pennwalt Corp v. Durand-Wayland, Inc.*, 833 F.2d 931, 934, 4 USPQ2d 1737, 1739 (Fed.Cir. 1987) (in banc), *cert. denied* 485 U.S. 961, 485 U.S. 1009 (1988)). Therefore, because this Court has determined that no handset or any equivalent of such exists in the Model 7090 CFSS phone, this Court finds that the Defendant's Model 7090 CFSS phone does not infringe the '169 Patent under the doctrine of equivalents. Accordingly, Defendant's Motion for Summary Judgment with respect to the non-infringement of the Model 7090 CFSS phone under the doctrine of equivalents is **GRANTED**.

2.

The Model 7090 SPSS phone is similar to the Model CFSS phone (discussed above) in that neither model contains a handset, as defined by this Court in its claim

construction order. Both Defendant and Plaintiffs advance the same respective doctrine of equivalents arguments as to the Model 7090 SPSS phone that they have advanced in addressing the same issue of infringement as to the Model 7090 CFSS phone. (Instrument No. 151, at 18). Therefore, for the same reasons stated above, this Court concludes that no handset or any equivalent of such exists in the Model 7090 SPSS phone, and as such, the phone cannot infringe, at this juncture, the '169 Patent under the doctrine of equivalents. Further though, the '169 Patent includes additional claim language that Plaintiffs argue supports their position of infringement under the doctrine of equivalents. (*Id.*, at 19). Both claims 1 and 12 of the '169 Patent include the following language, "the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front wall of the housing" and "said mouthpiece and said earpiece extending outward from said housing through said aural apertures." (Instrument No. 137, at 15). This Court construed that claim language to mean, "both the earpiece and mouthpiece pass through apertures in the front wall such that they project out from the front wall." (*Id.*, at Exhibit 1, at 20-21). The Model 7090 SPSS phone includes an earpiece and a mouthpiece that are both mounted within the housing of the phone, or are flush with the phone housing. (Instrument No. 137, at 16; Instrument No. 151, at 19). Despite this difference, Plaintiffs still believe that even though the earpiece and mouthpiece in the Model 7090 SPSS phone do not physically pass through the phone housing, because the same function

is achieved (allowance of communication between persons), the Model 7090 SPSS infringes the '169 Patent under the doctrine of equivalents. (Instrument No. 151, at 19). Plaintiffs argue that the projection out of both the earpiece and the mouthpiece in the patented invention is "an insubstantial difference" between it and the accused device, and as such, is yet another misinterpretation on the part of Defendant of the "all elements rule" articulated in *Dolly*. (*Id.*, at 19-20).

The Court disagrees with Plaintiffs assessment of the significance or lack thereof of the earpiece and mouthpiece extending out through the front wall of the phone housing. Plaintiffs summarily state that the perceived insubstantial difference is covered by the claims of the '169 Patent without even referring the Court to the specific claims. And, Plaintiffs' conclusion about the insubstantiality of the earpiece and mouthpiece not extending out through the phone housing is not supported by case law. Again, the Court distinguishes between functional and structural limitations included within the independent claims 1 and 12 of the '169 Patent. Here, Plaintiffs' argument is one that goes to the functionality of the two devices, and is based solely on their belief that because sound is allowed to pass through both the holes in the '169 Patent and in the Model 7090 SPSS phone, the accused device infringes their '169 Patent under the doctrine of equivalents. (Instrument No. 151, at 19). What Plaintiffs gloss over, however, is the non-presence of the physical limitation or any equivalent in the Model 7090 SPSS phone that is expressly required by the claim language

in the '169 Patent, and also by this Court's interpretation of that language in its claim construction. The claim limitation at issue is simply not present in the accused device, and as established previously, "[t]he doctrine of equivalents is not a license to ignore claim limitations." *Dolly*, 16 F.3d at 398. Accordingly, Defendant's Motion for Summary Judgment regarding the non-infringement of the Model 7090 SPSS phone with respect to the '169 Patent under the doctrine of equivalents is **GRANTED.**

b.

1.

The following language in claims 1 and 6 of the '828 Patent is at issue here as to whether Defendant's Model 7090 CFSS phone infringes the '828 Patent under the doctrine of equivalents: "said dial tone actuating switch electronically connected to said phone line and said electronic circuit board." (Instrument No. 137, at 19). This Court construed that claim language to mean, "said dial tone actuating switch electronically connected to both the said phone line and said circuit board, such that electricity can pass among these elements." (*Id.*, at 18). Defendant points out, and Plaintiffs do not dispute that the dial tone actuating switch located in the Model 7090 CFSS phone is connected to the circuit board only, but not also the phone line. (*Id.*, at 19). Plaintiffs ignore what they deem to be an "insubstantial difference," and only summarily state that "it is only the minor, conventional circuitry which distinguishes the '828

[P]atent and the 7090 CF[SS] under the claim language at issue." (Instrument No. 151, at 17). Plaintiffs yet again point to similar functional limitations that exist in the claims of the '828 Patent, but fail to also address the structural limitations or equivalents of such that are required by the '828 Patent claim language. *See Perkin-Elmer Corp. v. Westinghouse Elec. Corp.*, 822 F.2d 1528, 1532 (Fed. Cir. 1987) (stating that a court may not utilize the doctrine of equivalents to obliterate structural and functional limitations). Having the actuating switch connected to both the circuit board and the phone line is unlike and is not equivalent to having the same connected only to the circuit board, as is the case in Defendant's Model 7090 CFSS phone. If this Court were to accept Plaintiffs' arguments, the term "connected to said phone line" would be wiped out of the claim within the '828 Patent. *See Friedman Seating Co. v. American Seating Co.*, 420 F.3d 1350 (Fed. Cir. 2006) (rejecting an argument where the party's proposed equivalent would read an element of the claim completely out of the claim itself). Accordingly, Defendant's Motion for Summary Judgment with respect to the non-infringement of Defendant's Model 7090 CFSS phone as it relates to the '828 Patent under the doctrine of equivalents is **GRANTED**.

2.

Given Plaintiffs' concession that the Defendant's Model 7090 SPSS phone does not infringe the '828 Patent under the doctrine of equivalents, Defendant's Motion for Summary Judgment, regarding the issue of

non-infringement of the Model 7090 SPSS with respect to the '828 Patent under the doctrine of equivalents, is **GRANTED**.

IV.

Based on the foregoing, IT IS HEREBY ORDERED that Defendant Independent Technologies, Inc.'s Motion for Summary Judgment **(Instrument No. 137)** is **GRANTED.**

The Clerk shall enter this Order and provide a copy to all parties.

SIGNED on this 28th day of February, 2007, at Houston, Texas.

s/ Vanessa D. Gilmore
VANESSA D. GILMORE
UNITED STATES DISTRICT JUDGE

APPENDIX C — ORDER OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS, HOUSTON DIVISION DATED FEBRUARY 28, 2007

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

CIVIL ACTION NO. H-04-3718

TIP SYSTEMS, LLC, et al.,

Plaintiffs,

v.

PHILLIPS & BROOKS/GLADWIN, INC., et al.,

Defendants.

ORDER

Pending before the Court is Evercom Defendants' Motion for Summary Judgment (**Instrument No. 157**).

I.

This litigation centers on United States Patent No. 6,009,169 (the "'169 patent") and United States Patent No. 6,152,828 (the "'828 patent"). (Instrument No. 82, at 1). Both the '169 and '828 patents are held by Plaintiffs TIP Systems, LLC and TIP Systems Holding Co., Inc. (collectively "TIP Systems" or "Plaintiffs")

(*Id.*). TIP Systems brings this patent infringement lawsuit against Independent Technologies, Inc., SBC Communications Inc., Southwestern Bell Telephone, L.P., SWBT Texas, LLC, SBC Services, Inc., Ameritech Payphone Services, Inc., Pacific Telesis Group, Inc., SWBT Purchasing & Leasing Limited Partnership, Evercom, Inc., Evercom Systems, Inc., Evercom Holdings, Inc., T-Netix, Inc., T-Netix Telecommunications Services, Inc., and TZ Holdings, Inc. (*Id.*). The '169 patent application was filed on February 3, 1998, and the patent issued on December 28, 1999 (Instrument No. 88, Exhibit A). The '828 patent application was filed on November 11, 2000, and the patent issued on January 28, 2003. (Instrument No. 88, Exhibit B). Since the issuance of the Court's claim construction ruling on February 22, 2006, Plaintiffs have reached settlement agreements with several of the defendants, save for Independent Technologies, Inc. and the Evercom defendants. This current Motion for Summary Judgment before this Court originates from defendants Evercom, Inc., Evercom Systems, Inc., Evercom Holdings, Inc., T-NETIX, Inc., T-NETIX Telecommunications Service, Inc., and TZ Holdings, Inc. (collectively "Defendants" or "Evercom Defendants"). (Instrument No. 157, at 1).

The '169 patent covers an "inmate phone." (Instrument No. 151, at 4). The phone is supplied to correctional and other facilities to prevent prisoners from hanging themselves with "the handset cord or break[ing] the handset cord off and us[ing] the telephone handset as a weapon." (*Id.*). The '828 patent covers a "wall mounted telephone." (*Id.*). The '828 patent

is a continuation-in-part of the '169 patent. (*Id.*, at 3-4). Because the patents are interrelated, Plaintiffs were "required to file a 'terminal disclaimer' on the '828 patent such that it would expire on the same date as the '169 patent." (*Id.*). A terminal disclaimer is required when two related patents cover nearly the same invention. (*Id.*). Plaintiffs explain that, the invention in both the '169 and '828 patents is unlike a speakerphone in that for the unit to operate properly, the user is required to place "his or her head to the unit in the same proximity as with a conventional phone." (*Id.* , at 4). Plaintiffs go on to explain that with its invention, "conventional telephone cords are no longer necessary to access and utilize telephone services." (*Id.*).

Independent Technologies, Inc. supplied Evercom Defendants, the resellers of the phones at issue, with the majority of the phones used by the Defendants, which were later sold to various customers for use in those customers' facilities. (Instrument No. 157, at 1, n.1). During the last couple of years, Independent Technologies, Inc. has sold both the Model 7090 CFSS (cord free stainless steel) and 7090 SPSS (speaker phone stainless steel) phones. (Instrument No. 137, at 2). These phones, too, are constructed to be mounted in correctional facilities. (*Id.*). While the Model 7090 CFSS has both a conventional earpiece and mouthpiece mounted on the inner surface of the phone housing (without a handset between the pieces), which extend out through the front side of the housing, the Model 7090 SPSS has neither a conventional earpiece nor a conventional mouthpiece that project through the front

wall housing. (*Id.*, at 3-4). Instead, the Model 7090 SPSS is described as having components of a mouthpiece and an earpiece (without a handset) that are attached to the inner surface of the housing, which allows users to hear and speak through the apertures in the front wall of the phone housing. (*Id.*, at 4). Defendants note that both the Model 7090 CFSS and 7090 SPSS phones have electrical switches that connect at both ends to the electronic circuit boards, but that do not also connect to the phone line. (Instrument No. 157, at 3). Defendants also note that beginning in May 2004, they deinstalled the Model 7090 CFSS phone from all of their customers' facilities. (*Id.*, at 3). Plaintiffs have alleged that both the Model 7090 CFSS and SPSS phones infringe on their '169 and '828 Patents.

Claims 1 and 12 with respect to the '169 Patent are the claims at issue in this summary judgment motion. (Instrument No. 137, at 5-6). The language in Claim 1 of the '169 Patent includes the following:

> *1*. An inmate phone of the type having a housing in an interior wall of a prison, a push-button dialing pad mounted within a front wall of the housing with the push-button digits of the push-button dialing pad extending out of the front wall, a telephone handset being a handle with an earpiece at one end and a mouthpiece at an opposite end, a handset cord electrically connected between the push-button dialing pad and the telephone handset, wherein the improvement comprises means

> for permanently mounting the telephone handset vertically within the front wall of the housing, so that the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front wall of the housing to be used by inmates within the prison hands free while the handset while the handset cord is also permanently maintained within the housing, to prevent the inmates from having direct access to the telephone handset and the handset cord, in which the inmates can no longer hang themselves with the handset cord and break the handset cord off and use the telephone handset as a weapon.

(Instrument No. 137, Exhibit 2). Claim 12 of the '169 patent provides as follows:

> *12*. An inmate phone of the type having a housing in an interior wall of a prison, a push-button dialing pad mounted within a front wall of the housing with the push-button digits of the push-button dialing pad extending out of the front wall, a telephone *handset* being a handle with an earpiece at one end and a mouthpiece at an opposite end, *a handset* cord electrically connected between the push-button dialing pad and the telephone *handset*, wherein the improvement comprises:

a. means for permanently mounting the telephone *handset* vertically within the front wall of the housing, so that the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front wall of the housing to be used by inmates within the prison hands free while the *handset* cord is also permanently maintained within the housing, to prevent the inmates from having direct access to the telephone *handset* and the *handset* cord, in which the inmates can no longer hang themselves with the *handset* cord and break the *handset* cord off and use the telephone *handset* as a weapon; and

b. means extending through the front wall of the housing, for manually actuating the dial tone of the inmate phone independently of the telephone *handset*.

(*Id.*). The '828 Patent claims I and 6, which both include similar requirements, are also at issue in this motion for summary judgment. Claim 1 states the following:

1. A telephone for permanent mounting to a mounting surface in environments wherein the telephone is subject to abuse, comprising:

a housing, a mouthpiece, an earpiece, an electronic circuit board, a push-button dialing pad, a phone line and a dial tone actuating switch;

Appendix C

said housing including a housing front wall;

said housing front wall including a front wall inner surface;

said housing front wall including a plurality of aural apertures, a plurality of push-button apertures and dial tone actuating switch aperture;

said mouthpiece and said earpiece mounted to said front wall;

said mouthpiece and said earpiece extending outward from said housing through said aural apertures such that a user places his or her ear next to said aperture for said earpiece;

said earpiece and said mouthpiece each being secured to said aural apertures by an annular seal;

said earpiece and said mouthpiece presenting an external relief surface for positioning said ear and a mouth of said user;

said mouthpiece and said earpiece electrically connected to said electronic circuit board . . .

> said dial tone actuating switch electrically connected to said phone line and said electronic circuit board; . . .

(*Id.*, at Exhibit 3).

On June 15, 2006, Evercom Defendants filed this Motion for Summary Judgment. (Instrument No. 157). Defendants argue that Plaintiffs' claims that the Model 7090 CFSS and Model 7090 SPSS phones infringe their '169 and '828 Patents are both unreasonable and highly inconsistent with this Court's construction of the claim terms. (*Id.*, at 1). Further, Defendants contend that neither of the phones at issue infringe either of the Patents literally or under the doctrine of equivalents. (*Id.*, at 2). Even more, Evercom Defendants state that they "will demonstrate that the patents-in-suit are invalid on the grounds of anticipation, obviousness, enablement, [and] indefiniteness" based on a number of Plaintiffs' fumbles. (*Id.*).

On June 30, 2006, Plaintiffs filed their Response to Evercom Defendants' Motion for Summary Judgment. (Instrument No. 162). Relying solely on their expert, Ray Nettleton, Plaintiffs argue that the Defendants' Model 7090 SPSS phone infringes the '169 Patent both literally and under the doctrine of equivalents. (*Id.*, at 2). Additionally, Plaintiffs argue that the Defendants' Model 7090 CFSS phone infringes both the '169 and '828 Patents literally and under the doctrine of equivalents. (*Id.*). Lastly, Plaintiffs believe the defenses raised by Evercom Defendants are "baseless" and raised in

"scattershot" fashion. (*Id.*). Plaintiffs go on to state that they believe Defendants' "threadbare assertions" should be rejected, and that Defendants' Motion for Summary Judgment should be denied. (*Id.*).

On August 3, 2006, Evercom Defendants filed their Reply in Support of Evercom's Motion for Summary Judgment. (Instrument No. 174). Evercom Defendants claim that Plaintiffs' Response not only misstates the law, but also begs this Court to disregard its own claim construction rulings in deciding whether the Model 7090 CFSS and Model 7090 SPSS phones actually infringe the '169 Patent and the '828 Patent. (*Id.*, at 1). Also, Defendants reiterate their belief that no genuine issue of material fact exists on the issues before this Court, and therefore argue that they are entitled to judgment as a matter of law on Plaintiffs' claims. (*Id.*).

II.

Summary judgment is appropriate if no genuine issue of material fact exists and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56. A fact is "material" if its resolution in favor of one party might affect the outcome of the suit under governing law. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986); *see also United States v. Arron*, 954 F.2d 249, 251 (5th Cir. 1992). An issue is "genuine" if the evidence is sufficient for a reasonable jury to return a verdict for the nonmoving party. *See Anderson*, 477 U.S. at 248. If the evidence rebutting the motion for summary judgment is only colorable or is not

significantly probative, summary judgment should be granted. *See id.* at 2511; *see also Thomas v. Barton Lodge, Ltd.*, 174 F.3d 636, 644 (5th Cir. 1999). The summary judgment procedure, therefore, enables a party "who believes there is no genuine issue as to a specific fact essential to the other side's case to demand at least one sworn averment of that [specific] fact before the lengthy process continues." *Lujan v. Nat'l Wildlife Fed'n*, 497 U.S. 871, 886-88 (1990).

Under Rule 56(c), the moving party bears the initial burden of informing the district court of the basis for its belief that there is an absence of a genuine issue for trial and of identifying those portions of the record that demonstrate such absence. *See Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 576, 586-87 (1986); *see also Burge v. Parish of St. Tammany*, 187 F.3d 452, 464 (5th Cir. 1999).

Where the moving party has met its Rule 56(c) burden, the nonmovant "must do more than simply show that there is some metaphysical doubt as to the material facts . . . . [T]he nonmoving party must come forward with specific facts showing that there is *a genuine issue for trial.*' "*Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. at 586-87 (quoting Fed. R. Civ. P. 56(e)) (emphasis in original). *See also Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986); *Engstrom v. First Nat'l Bank*, 47 F.3d 1459, 1462 (5th Cir. 1995). To sustain the burden, the nonmoving party must produce evidence admissible at trial. *See Anderson*, 477 U.S. at 242; *see also Thomas v. Price*, 975 F.2d 231, 235 (5th Cir. 1992) ("To avoid a

summary judgment, the nonmoving party must adduce admissible evidence which creates a fact issue.").

The Court reviews the facts in the light most favorable to the nonmovant and draws all reasonable inferences in favor of the nonmovant. *See Brown v. Bunge Corp.*, 207 F.3d 776, 781 (5th Cir. 2000). "The mere existence of a scintilla of evidence in support of the plaintiffs position will be insufficient; there must be evidence on which the jury could reasonably find for the plaintiff." *Anderson*, 477 U.S. at 252.

III.

A.

Defendants argue that they must prevail on certain infringement allegations related to Plaintiff's '169 and '828 Patents because Plaintiffs have conceded that Defendants' Model 7090 CFSS and SPSS phones do not literally infringe the '169 Patent, and that Defendants' Model 7090 SPSS phone neither infringes the '828 Patent literally nor under the doctrine of equivalents. (Instrument No. 153, at 1). While Plaintiffs have indeed made several concessions regarding Defendants' Model 7090 CFSS and SPSS phones and their respective infringement on the '169 Patent and the '828 Patent, Plaintiffs have, however, maintained a number of their infringement allegations.

Appendix C

1.

Whoever without authority makes, uses, or sells any patented invention within the United States during the term of the patent therefore, infringes the patent. 35 U.S.C. § 271. The party who asserts infringement has the burden of proof at trial. The determination of whether a claim of a patent has been infringed is a two-step process. First, the claim of a patent is interpreted to determine its scope and meaning; second, it must be determined whether an accused device is within the scope of the properly constructed meaning. *North American Vaccine, Inc. v. American Cyanamid Co.*, 7 F.3d 1571, 1573 (Fed. Cir. 1993), *cert. denied*, 114 S.Ct. 1645 (1994)(citations omitted). Claim interpretation is a matter of law involving the review of patent specifications, prosecution history, language of the patent claims, and, if necessary, extrinsic evidence. *Texas Instruments v. U.S. Int'l Trade Com'n*, 988 F.2d 1165, 1171 (Fed. Cir. 1993)(citations omitted). The court must decide and explicate its findings regarding claim construction on the record. *Genentech, Inc. v. Wellcome Foundation Ltd.*, 29 F.3d 1555 (Fed. Cir. 1994). The second step of the infringement analysis requires that the court determine whether the claim as properly construed covers the process or device accused of infringement. *Charles Greiner & Co.*, 962 F.2d 1031, 1034 (Fed. Cir. 1992). A determination of literal infringement requires that the accused device or process embody each limitation in the asserted claims. *North American Vaccine, Inc.*, 7 F.3d at 1574.

Appendix C

a.

Evercom Defendants argue that neither their Model 7090 CFSS phone nor their Model 7090 SPSS phone literally infringe the Plaintiffs' '169 Patent, as "key elements in the claims are missing from the phones." (Instrument No. 157, at 5). Defendants' argument is centered mainly on the inclusion of the term "handset" throughout the claims in the '169 Patent. (*Id.*, at 6). In its claim construction ruling, this Court construed the term "handset" to be a "handle with an earpiece at one end and a mouthpiece at the other." (*Id.*). Further, the claims in the '169 Patent also require a "means for permanently mounting the telephone handset vertically within the front wall of the housing," which Defendants argue does not exist on either of their phones since their phones are without a handset. (*Id.*). Lastly, Defendants contend that the claim within the '169 Patent that requires an earpiece positioned at one end of the handset and a mouthpiece positioned at the bottom is not infringed by their phones because without a handset, "the earpiece and mouthpiece cannot be mounted at the top and bottom of the handset." (*Id.*, at 13). In Plaintiffs' Response, they do not broach the allegation that Defendants' Model 7090 CFSS and Model 7090 SPSS phones literally infringe the '169 Patent. In fact, Plaintiffs concede that the Defendant's phones do not literally infringe the '169 Patent, but still maintain their argument that both phones infringe the '169 Patent under the doctrine of equivalents. (Instrument No. 162, at 5, 11). Accordingly, Defendants' Motion for Summary Judgment with respect to Plaintiff's claims of literal infringement of the '169 Patent is **GRANTED.**

Appendix C

b.

While Plaintiffs concede that Defendants' Model 7090 SPSS phone does not literally infringe the '828 Patent, Plaintiffs still insist that the Model 7090 CFSS phone does literally infringe the '828 Patent. (Instrument No. 162, at 9-10). Plaintiffs highlight the claim of the '828 Patent that deals with the dial tone activating switch to argue their literal infringement claim with respect to the '828 Patent and Defendants' Model 7090 CFSS phone. (*Id.*). Defendants argue that because the dial tone activating switch in their Model 7090 CFSS phone is not connected to both the phone line and the electronic circuit board and because there is no annular seal on either phone, this Court cannot enter a finding of literal infringement. (Instrument No. 157, at 11-12).

1.

The '828 Patent claim language states the following, "said dial tone actuating switch electronically connected to said phone line and said electronic circuit board" and "said earpiece and said mouthpiece each being secured to said aural apertures by an annular seal" (Instrument No. 157, 11). This Court construed the claim language to mean, "said dial tone actuating switch electronically connected to both the said phone line and said circuit board, such that electricity can pass among these elements" and "ring-like seal," respectively. (*Id.*). Defendants state the dial tone activating switch in their Model 7090 CFSS phone is not electronically connected to both the circuit board and the phone line, but rather

only connected to the electronic circuit board. (Instrument No. 157, at 11). Defendants go on to state that "[t]he only connection to the phone line is done through the means of a receptacle that is mounted on the opposite side of the circuit board from where the wires are connected." (*Id.*). Without any evidence to support their position, Plaintiffs summarily state in their Response that this Court's claim construction does allow for a finding of literal infringement because the dial tone actuating switch in Defendants' Model 7090 CFSS phone is connected to both the phone line and the electronic circuit board. (Instrument No. 162, at 10).

In addition to this argument, Defendants argues that Plaintiffs' also cannot prove that the 7090 CFSS literally infringes the '828 Patent based on additional claim language in claim 1 of the Patent. (Instrument No. 157, at 12). As stated, this Court construed the claim language requiring that the earpiece and the mouthpiece be secured to the aural apertures of the phone by an annular seal to mean, "a ring-like seal." (*Id.*). Defendants point to evidence in an effort to demonstrate that their Model 7090 CFSS phone does not contain a ring-like seal, but instead contains a "separate mounting structure consisting of two threaded studs, two nuts, washers, and a bracket assembly." (*Id.*). Plaintiffs counter, stating that the Defendants' recitation of the mounting structures used in their Model 7090 CFSS phone fails to include the "ring of adhesive which augments the mounting between the earpiece/ mouthpiece caps [] and the cylindrical metal housing []. (Instrument No. 162, at 11). To bolster their argument

that the Model 7090 CFSS phone does include a ring-like seal, Plaintiffs highlight the fact that the manufacturer of the phone, Independent Technologies, did not bother to attempt the annular seal argument in its motion for summary judgment presented to this Court.

While the Court believes, based on the evidence, that the Model 7090 CFSS phone does include an annular seal, the Court does not believe, based on the record, that the Model 7090 CFSS phone's actuating switch is connected to both the phone line and the electronic circuit board. A determination of literal infringement requires that the accused device or process embody **each** limitation in the asserted claims. *North American Vaccine, Inc.*, 7 F.3d at 1574 (emphasis added). Plaintiffs' literal infringement argument is lacking with respect to this particular phone, and is clearly more grounded in the Plaintiffs' contention that the Model 7090 CFSS phone infringes the '828 Patent under the doctrine of equivalents. The Plaintiffs have failed to provide this Court with any evidence to refute Defendants' contention that their Model 7090 CFSS phone's activating switch does not connect to both the circuit board and the phone line. Therefore, with such an absence of evidence to create a genuine issue of material fact for trial, Defendants' Motion for Summary Judgment with respect to the Model 7090 CFSS phone's literal non-infringement of the '828 Patent is **GRANTED.**

Appendix C

2.

Plaintiffs have conceded that Defendants' Model 7090 SPSS phone does not literally infringe the '828 Patent given the Court's interpretation of the relevant claims following the *Markman* hearing in this case. Accordingly, this Court **GRANTS** Defendants' Motion for Summary Judgment with respect to the Model 7090 SPSS phone's literal non-infringement of the '828 Patent.

2.

Infringement under the doctrine of equivalents has been judicially devised to do equity in situations where there is no literal infringement, but liability is nevertheless appropriate to prevent what is in essence a pirating of the patentee's invention. *Texas Instrument v. US. Int'l Trade Comm'n*, 988 F.2d 1165, 1173 (Fed. Cir. 1993)(quotations omitted). To demonstrate infringement under the doctrine of equivalents, the patent owner must show that when compared to the patent claim, the accused method or device performs (1) substantially the same intended function "as seen in the context of the patent, the prosecution history and the prior art"; (2) in substantially the same way, (3) to achieve substantially the same result as the claimed method. *Genentech, Inc.*, 29 F.3d at 1567. It is not enough to show that the accused method is equivalent overall to the claimed invention; rather, infringement requires that *every limitation* of a claim be met literally or by a substantial equivalent. *Intellicall, Inc. v. Phonometrics, Inc.*, 952 F.2d 1384, 1389 (Fed. Cir. 1992).

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Even where an accused method appears to be "equivalent" to the patent claim, a patentee may nonetheless be precluded from proving infringement under the doctrine of equivalents. In part, prior art limits the range of permissible equivalents of a patent. *Wilson Sporting Goods Co. v. David Geoffrey & Assocs.*, 904 F.2d 677, 684 (Fed Cir.), *cert. denied*, 111 S.Ct. 537 (1990)("since prior art limits what an inventor could have claimed, it limits the range of permissible equivalents of a claim"); *see Genentech, Inc.*, 29 F.3d at 1568 n. 40.

Moreover, a patentee may be estopped from asserting infringement under the doctrine of equivalents if the prosecution history of the *patent* makes it clear that the patentee limited its claim during the prosecution of the patent. *Brenner v. United States*, 773 F.2d 306, 307 (Fed. Cir. 1985); *Buehler AG v. Ocrim, S.p.A.*, 836 F. Supp. 1305, 1323 (N.D.Tex. 1993), *aff'd*, 34 F.3d 1080 (Fed. Cir. 1994). The essence of prosecution history estoppel is that a patentee should not be able to obtain, through litigation, coverage of subject matter relinquished during prosecution of the patent. *Haynes Intl*, 8 F.3d at 1577. "The legal standard for determining what subject matter was relinquished is an objective one, measured from the vantage point of what a competitor was reasonably entitled to conclude, from the prosecution history, that the applicant gave up to procure issuance of the patent." *Id.* at 1578. A broad range of activities can give rise to prosecution history estoppel. *See id.* at 1579. Application of prosecution history estoppel is reviewed as a question of law. *See Texas Instruments, Inc.*, 988 F.2d at 1173.

Appendix C

a.

Defendants argue that because neither their Model 7090 CFSS nor their Model 7090 SPSS phones contain a handset or handset cord, as Defendants believe this Court defined the term, there exists "no structure for which an equivalent can be found." (Instrument No. 157, at 7). Defendants rely solely on *Dolly, Inc. v. Spalding & Evenflo Cos.* to support their argument as to the non-infringement of the '169 Patent under the doctrine of equivalents. 16 F.3d 394 (Fed. Cir. 1994). (*Id.*). Plaintiffs, however, offer a more expansive argument as to why they believe Defendants' phones do in fact infringe the '169 Patent under the doctrine of equivalents. Generally, Plaintiffs argue that both the 7090 CFSS and 7090 SPSS phones perform substantially the exact same function[s] [as the invention in the '169 Patent] in substantially the same way to obtain the same result. (Instrument No. 151, at 5-7).

1.

As stated previously, Defendants' argument with respect to the non-infringement of the Model 7090 CFSS phone under the doctrine of equivalents is simple. Because Defendants believe that no handset exists, as indicated in the claims of the '169 Patent and as defined by this Court's interpretation of the term "handset" following the claim construction hearing, Defendants argue that this Court has the impossible task of finding an equivalent where an essential structural element (namely, the handset) is lacking in the alleged infringing

device-the Model 7090 CFSS phone. (Instrument No. 157, at 7).

Plaintiffs make a comparison between the device in the '169 Patent and the Model 7090 CFSS phone to support their doctrine of equivalents argument. (Instrument No. 162, at 5-7). First, Plaintiffs assert that the general function of both of the '169 invention and the Model 7090 CFSS phone is to provide a safe, hands-free method by which inmates can communicate via phone to other persons. Next, Plaintiffs argue that the essential features of the '169 Patent and the Model 7090 CFSS phone are identical. (*Id.*, at 6). Lastly, Plaintiffs argue that the Model 7090 CFSS phone does include an equivalent means for permanently mounting the handset, as is claimed in the '169 Patent. (*Id.*, at 8). And, Plaintiffs argue, however briefly, that the Model 7090 CFSS phone contains an equivalent to the handset cord that is found in the claimed invention. (*Id.*, at 8-9).

There is no dispute as to whether the Model 7090 CFSS contains an earpiece and a mouthpiece. The parties disagree, however, with respect to whether a "handle" exists in the 7090 CFSS phone. Defendants maintain their argument that a handle simply does not exist on its Model 7090 CFSS phone, and as a result, a finding of infringement is impossible given the fact that an essential structure, which is claimed, of the '169 Patent is missing. (Instrument No. 157, at 7). Plaintiffs argue to the contrary that a "handset equivalency" exists in the Model 7090 CFSS phone, and therefore, "the handset of the '169 Patent has the same function,

performed in the same way to achieve the same result as the separated elements of the handset present in the 7090CF phone." (Instrument No. 162, at 6). Plaintiffs believe that because the handle in the '169 Patent is not made accessible to its users, its inclusion in the claimed invention is trivial, as the purpose of the '169 Patent invention can still be carried out—with or without an actual handset. (*Id.*, at 5-7).

As stated, Defendants liken their non-infringement argument to *Dolly*. (Instrument No. 157, at 7). Defendants points to one section from the case to support its position, namely the sentence which states that, "the accused device must nonetheless contain *every* limitation or its equivalent." 16 F.3d at 398 (citing *Intel Corp. v. U.S. Int'l Trade Comm.*, 946 F.2d 821, 832 (Fed. Cir. 1991)). Plaintiffs argue that Defendants have misstated the "all elements rule" articulated in *Dolly*. (Instrument No. 162, at 5). *Dolly* involved a portable child's seat that could alternatively be used as a booster seat. The Federal Circuit found no equivalence because there was a missing element (stable frame) in the accused device. In the Federal Circuit's opinion, it cautioned, however, that "[t]he doctrine of equivalents does not require a one-to-one correspondence between components of the accused device and the claimed invention," and that the court went on to state that "[a]n accused device may infringe under the doctrine of equivalents even though a combination of its components performs a function performed by a single element in the patented invention." *Dolly*, 16 F.3d at 398. Plaintiffs believe that the earpiece and the mouthpiece,

spaced within the housing of the phone without a traditional handset, in the Model 7090 CFSS phone perform the same function as the claimed invention, which contains a traditional handset that serves to space the earpiece and mouthpiece.

Plaintiffs go on to argue that they believe the Federal Circuit case, *Toro Co. Inc. v. White Consolidated Indus.* is more on point than *Dolly* for at least a couple of reasons. 266 F.3d 1367 (Fed. Cir. 2001) (Instrument No. 162, at 7). In *Toro*, the Federal Circuit reversed a district court's finding of non-infringement under the doctrine of equivalents where the accused device, a vacuum blower, contained a two-piece restriction ring. *Toro*, 266 F.3d at 1370. The Federal Circuit noted that, "the determination of whether [the accused device's] two-piece ring and cover is insubstantially different from the unitary ring and cover [of the patented device] is a material issue of fact." *Id.*

In viewing the evidence in the light most favorable to the non-movant, this Court believes that the factual scenario presented in *Toro* is distinguishable from the present case. In *Toro*, the court explained at some length the difference between structural and functional limitations claimed within a patent. *Toro*, 266 F.3d at 1371-72. The court's finding in *Toro* rested on an analysis that involved resolving a dispute related to functional limitations in the patent at issue. *Id.* Here, the Court believes that the dispute regarding the infringement of the Model 7090 CFSS phone is one that is based on the structural limitations claimed in the '169 Patent, and

not the functional limitations imposed by the claims in that same Patent. It is undisputed that the patented invention and the accused device here carry out the same functions. What is disputed, however, is whether those functions with respect to the Model 7090 CFSS phone are carried out by substantially similar or equivalent structures. Both claims 1 and 12 of the '169 Patent include the structural limitation of a handset. This Court's claim construction of the term handset is a, "handle with an earpiece at one end and a mouthpiece at the other." (Instrument No 157, at 5-6), The accused device simply does not contain a handle or any equivalent of such, which, in turn, does not enable the Court to evaluate the equivalency of the Model 7090 CFSS phone's non-existent handle and the patented invention's traditional handle. In *Dolly*, the Federal Circuit reversed the district court for disregarding a specific structural limitation included in the claim within the patent at issue. 16 F.3d at 398. "The doctrine of equivalents is not a license to ignore claim limitations." *Id.* (citing *Pennwalt Corp v. Durand-Wayland, Inc.*, 833 F.2d 931, 934, 4 USPQ2d 1737, 1739 (Fed. Cir. 1987) (in banc), *cert. denied* 485 U.S. 961, 485 U.S. 1009 (1988)). Therefore, because this Court has determined that no handset or any equivalent of such exists in the Model 7090 CFSS phone, this Court finds that the Defendants' Model 7090 CFSS phone does not infringe the '169 Patent under the doctrine of equivalents. Accordingly, Defendants' Motion for Summary Judgment with respect to the non-infringement of the Model 7090 CFSS phone under the doctrine of equivalents is GRANTED.

Appendix C

2.

The Model 7090 SPSS phone is similar to the Model CFSS phone (discussed above) in that neither model contains a handset, as defined by this Court in its claim construction order. Both Defendants and Plaintiffs advance the same respective doctrine of equivalents arguments as to the Model 7090 SPSS phone that they have advanced in addressing the same issue of infringement as to the Model 7090 CFSS phone. (Instrument No. 157, 8-10; Instrument No. 162 , at 11-13). Therefore, for the same reasons stated above, this Court concludes that no handset or any equivalent of such exists in the Model 7090 SPSS phone, and as such, the phone cannot infringe, at this juncture, the '169 Patent under the doctrine of equivalents. Further though, the '169 Patent includes additional claim language that Plaintiffs argue supports their position of infringement under the doctrine of equivalents. (Instrument No. 162, at 12-13). Both claims 1 and 12 of the '169 Patent include the following language, "the earpiece positioned at top and the mouthpiece positioned at bottom will permanently extend out through the front wall of the housing" and "said mouthpiece and said earpiece extending outward from said housing through said aural apertures." (Instrument No. 157, at 8-9). This Court construed that claim language to mean, "both the earpiece and mouthpiece pass through apertures in the front wall such that they project out from the front wall." (*Id.*). The Model 7090 SPSS phone includes an earpiece and a mouthpiece that are both mounted within the housing of the phone, or

are flush with the phone housing. (Instrument No. 157, at 9-10; Instrument No. 162, at 12-13). Despite this difference, Plaintiffs still believe that even though the earpiece and mouthpiece in the Model 7090 SPSS phone do not physically pass through the phone housing, because the same function is achieved (allowance of communication between persons), the Model 7090 SPSS infringes the '169 Patent under the doctrine of equivalents. (Instrument No. 162, at 12). Plaintiffs argue that the projection out of both the earpiece and the mouthpiece in the patented invention is "an insubstantial difference" between it and the accused device, and as such, is yet another misinterpretation on the part of Defendant of the "all elements rule" articulated in *Dolly*. (*Id.*, at 12-13).

The Court disagrees with Plaintiffs assessment of the significance or lack thereof of the earpiece and mouthpiece extending out through the front wall of the phone housing. Plaintiffs summarily state that the perceived insubstantial difference is covered by the claims of the '169 Patent without even referring the Court to the specific claims. And, Plaintiffs' conclusion about the insubstantiality of the earpiece and mouthpiece not extending out through the phone housing is not supported by case law. Again, the Court distinguishes between functional and structural limitations included within the independent claims 1 and 12 of the '169 Patent. Here, Plaintiffs' argument is one that goes to the functionality of the two devices, and is based solely on their belief that because sound is allowed to pass through both the holes in the '169 Patent and in

the Model 7090 SPSS phone, the accused device infringes their '169 Patent under the doctrine of equivalents. (Instrument No. 162, at 12-13). What Plaintiffs gloss over, however, is the non-presence of the physical limitation or any equivalent in the Model 7090 SPSS phone that is expressly required by the claim language in the '169 Patent, and also by this Court's interpretation of that language in its claim construction. The claim limitation at issue is simply not present in the accused device, and as established previously, "[t]he doctrine of equivalents is not a license to ignore claim limitations." *Dolly*, 16 F.3d at 398. Accordingly, Defendants' Motion for Summary Judgment regarding the non-infringement of the Model 7090 SPSS phone with respect to the '169 Patent under the doctrine of equivalents is **GRANTED.**

b.

1.

The following language in claims 1 and 6 of the '828 Patent is at issue here as to whether Defendants' Model 7090 CFSS phone infringes the '828 Patent under the doctrine of equivalents: "said dial tone actuating switch electronically connected to said phone line and said electronic circuit board." (Instrument No. 157, at 12-13). This Court construed that claim language to mean, "said dial tone actuating switch electronically connected to both the said phone line and said circuit board, such that electricity can pass among these elements." (*Id.*, at 11). Defendants point out, and Plaintiffs do not

dispute that the dial tone actuating switch located in the Model 7090 CFSS phone is connected to the circuit board only, but not also the phone line. (*Id.*, *at* 19). Plaintiffs ignore what they deem to be an "insubstantial difference," and only summarily state that "it is only the minor, conventional circuitry which distinguishes the '828 [P]atent and the 7090 CF[SS] under the claim language at issue." (Instrument No. 162, at 10). Plaintiffs yet again point to similar functional limitations that exist in the claims of the '828 Patent, but fail to also address the structural limitations or equivalents of such that are required by the '828 Patent claim language. *See Perkin-Elmer Corp. v. Westinghouse Elec. Corp.*, 822 F.2d 1528, 1532 (Fed. Cir. 1987) (stating that a court may not utilize the doctrine of equivalents to obliterate structural and functional limitations). Having the actuating switch connected to both the circuit board and the phone line is unlike and is not equivalent to having the same connected only to the circuit board, as is the case in Defendants' Model 7090 CFSS phone. If this Court were to accept Plaintiffs' arguments, the term "connected to said phone line" would be wiped out of the claim within the '828 Patent. *See Friedman Seating Co. v. American Seating Co.*, 420 F.3d 1350 (Fed. Cir. 2006) (rejecting an argument where the party's proposed equivalent would read an element of the claim completely out of the claim itself). Accordingly, Defendants' Motion for Summary Judgment with respect to the non-infringement of Defendants' Model 7090 CFSS phone as it relates to the '828 Patent under the doctrine of equivalents is **GRANTED**.

Appendix C

2.

Given Plaintiffs' concession that the Defendants' Model 7090 SPSS phone does not infringe the '828 Patent under the doctrine of equivalents, Defendants' Motion for Summary Judgment, regarding the issue of non-infringement of the Model 7090 SPSS with respect to the '828 Patent under the doctrine of equivalents, is **GRANTED**.

B.

Defendants assert a number of defenses, pursuant to 35 U.S.C. §§ 102(a),(b); 103; and 112, which all go to the validity of the '169 and '828 Patents. (Instrument No. 157, at 13). Plaintiffs concede that Defendants have properly laid out the legal analysis on these particular sections of the Code, but have failed to show how the sections cited above pertain to this specific case. (Instrument No. 162, at 14). Sections 102(a) and 103 of Title 35 of the United States Code deem a patent invalid if (1) the patent was known or used by others in this country before the claimed invention of the applicant, and (2) if the differences between the invention and any prior art are such that the subject matter as a whole would have been obvious at the time of the invention to a person of ordinary skill in the art to which the subject matter pertains. (Instrument No. 157, at 13). Section 112 of Title 35 of the United States Code requires a patent applicant to set forth the best mode contemplated by the inventor for carrying out his invention. (*Id.*, at 17). Finally, section 102(b) of Title 35 of the United States

Code provides that a person is entitled to patent unless the claimed invention was on sale in this country, more than one year prior to the date of the application for patent in the United States. (*Id.*, at 18-19).

As this Court has already concluded that neither the Model 7090 CFSS phone nor the Model 7090 SPSS phone infringes the '169 and '828 Patents, either literally or under the doctrine of equivalents, it is unnecessary for this Court to address the affirmative defenses of obviousness, enablement, best mode, and on-sale bar raised by Defendants. Accordingly, Defendants' Motion for Summary Judgment with respect to these defenses is **DENIED without prejudice**.

C.

Plaintiffs contend that Defendants' willfully infringed their Patents. (Instrument No. 162, at 20). Defendants argue in their Motion for Summary Judgment that Plaintiffs have failed to provide a sufficient set of facts to support a finding of willful infringement. (Instrument No. 157, at 20). Plaintiffs only evidence to support their claim of willful infringement is a deposition from their own representative, Mark Styron, which states that "an Evercom and a T-NETIX representative separately knew of the Tip Systems patents as early as 2002, therefore Evercom knowingly purchased infringing products at issue in this suit." (Instrument No. 162, at 20). Plaintiffs point to nothing else in the record to justify this Court entering a finding of willful infringement. The "self-serving" deposition,

as dubbed by Defendants, does nothing to bolster Plaintiffs' claim. In making a determination of willful infringement the Court must consider "whether the infringer, acting in good faith and upon due inquiry, had sound reason to believe that it had the right to act in the manner that was found to be infringing." *SRI International Inc. v. Advanced Technology Laboratories*, 127 F.3d 1462, 1464-65 (Fed. Cir. 1947). Additionally, Plaintiffs argue that Evercom Defendants "attempted to completely ignore [their] discovery obligations in this lawsuit," and offers that allegation as proof that Evercom Defendants willfully infringed Plaintiff's' Patents. (Instrument No. 162, at 20). This allegation along with the deposition evidence proffered by Plaintiffs is not sufficient to create a genuine issue of material fact. Accordingly, Defendants' Motion for Summary with respect to the issue of willful infringement is **GRANTED**.

IV.

Based on the foregoing, IT IS HEREBY ORDERED that Evercom Defendants' Motion for Summary Judgment (**Instrument No. 157**) is **GRANTED in part and DENIED in part**. The Clerk shall enter this Order and provide a copy to all parties.

SIGNED on this the 28th day of February, 2007, at Houston, Texas.

s/ Vanessa D. Gilmore
VANESSA D. GILMORE
UNITED STATES DISTRICT JUDGE